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REDEVELOPMENT AGREEMENT BETWEEN THE
VILLAGE OF WILLOW SPRINGS AND RTG-WILLOW
SPRINGS, LLC FOR A DEVELOPER REDEVELOPMENT
PROJECT IN THE VILLAGE OF WILLOW SPRINGS
VILLAGE CENTER REDEVELOPMENT PROJECT AREA

Dated the 29th day of
June, 2006

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REDEVELOPMENT AGREEMENT BETWEEN THE VILLAGE OF WILLOW SPRINGS AND RTG-WILLOW SPRINGS, LLC FOR A DEVELOPER REDEVELOPMENT PROJECT IN THE VILLAGE OF WILLOW SPRINGS VILLAGE CENTER REDEVELOPMENT PROJECT AREA

This Redevelopment Agreement dated as of June 29, 2006 (the "Agreement"), is made by and among the VILLAGE OF WILLOW SPRINGS, a municipal corporation duly organized and existing under the Constitution and laws of the State of Illinois (the "Village"), and RTG-WILLOW SPRINGS, LLC, an Illinois limited liability company (the "Developer").

RECITALS

This Agreement is made with respect to the following facts:

A. *Statutory Authority.* The Village is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 11-74.4-1 *et seq.*, and the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.*, as amended and supplemented from time to time (the "Act"), to among other things, finance redevelopment projects that create new job opportunities, increase industry and commerce within the state, increase the tax base and eradicate potentially blighting conditions, through the use of tax increment allocation financing for economic redevelopment.

B. *Village Authority.* To induce redevelopment pursuant to the Act, the Village President and Board of Trustees of the Village have, after giving all notices required by law and conducting all public hearings required by law, duly passed the following Ordinances, which were subsequently amended by Ordinance No. 99-0-13:

- (1) Ordinance No. 99-0-7, passed March 11, 1999, entitled "An Ordinance Approving the Willow Springs Village Center Redevelopment Plan and Project in the Village of Willow Springs, Cook County, Illinois";
- (2) Ordinance No. 99-0-8, passed March 11, 1999, entitled "An Ordinance Designating the Village of Willow Springs Village Center Redevelopment Project Area Project in the Village of Willow Springs, Cook County, Illinois"; and
- (3) Ordinance No. 99-0-9, passed March 11, 1999, entitled "An Ordinance Adopting Tax Increment Allocation Financing for the Willow

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Springs Village Center Redevelopment Project Area in the Village of Willow Springs, Cook County, Illinois”

(collectively, the “TIF Ordinances”).

C. *Developer Property.* The Developer has entered into contracts to acquire the property as described on Exhibit A (the “Developer Property”) located within the Village Center Redevelopment Project Area which the Developer intends to develop consistent with the Redevelopment Plan and Project approved by the TIF Ordinances.

D. *Developer Project.* The project to be developed (the “Developer Redevelopment Project”) is to be constructed substantially as described on Exhibit B.

E. *Redevelopment According to Plan.* The Developer Property will be developed in substantial conformity with the Redevelopment Plan and will be undertaken in accordance with applicable Village ordinances and this Agreement. The Developer Redevelopment Project is consistent with the Redevelopment Plan.

F. *Village Financing.* The Village has determined to reimburse the Developer for various expenditures under the Act upon the conditions and in an amount not to exceed the maximum set forth in this Agreement as more particularly described on Exhibit D (the “Developer Incentives”).

G. *Redevelopment Incentive.* The Village has determined that the Developer Property has not been subject to growth and development through investment by private enterprise and cannot be reasonably anticipated to develop without the incentives provided herein.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1

RECITALS INCORPORATED

1.1 *Recitals Incorporation as Substantive Provisions.* The foregoing recitals are hereby incorporated into and made a substantive part of this Agreement by reference and shall be binding upon the parties hereto.

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SECTION 2

DEFINITIONS

2.1 *Definitions.* For purposes of this Agreement, in addition to the terms defined in the foregoing Recitals, the following terms shall have the meanings set forth below:

“Developer Redevelopment Project Budget” means the budget furnished by the Developer attached hereto as Exhibit C showing the estimated costs for the Developer Redevelopment Project.

“Eligible Costs” mean any costs which qualify as redevelopment project costs under 65 ILCS 5/11-74.4-3 (q) and the Redevelopment Plan which are paid or incurred by the Developer in connection with the Developer Redevelopment Project and which have been approved and authorized by the Village.

“Intergovernmental Agreement” means that certain Intergovernmental Tax Increment Financing Agreement, dated as of March 11, 1999, among the Village, School District Number 108, Cook County, Illinois, and Community High School District 217, Cook County, Illinois, as amended.

“Redevelopment Plan” means the comprehensive program of the Village for the Redevelopment Project Area approved by the Village President and Board of Trustees as defined in Ordinance No. 99-O-7.

“Redevelopment Project Area” means the area designated by the Village President and Board of Trustees pursuant to the TIF Ordinances also referred to as the Village Center Redevelopment Project Area.

“RTG Redevelopment Agreement Ordinance” means the ordinance approving this Agreement.

“Series 2006 Bond Ordinance” means the ordinance approving the Series 2006 Bonds.

“Series 2006 Bonds” means the General Obligation Bonds (Alternate Revenue Source), Series 2006, to be issued by the Village in order to partially fund the Developer Incentives.

“Special Tax Allocation Fund” means the Village Center Special Tax Allocation Fund established by the TIF Ordinances.

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SECTION 3

THE DEVELOPER REDEVELOPMENT PROJECT

3.1 *Lot 23-B: Metra Station Parcel.*

(a) Developer has entered into a "Contract for Purchase of Real Estate" to acquire that part of Lot 23-B in Willow Springs Village Center Unit 2 not currently owned by the Village. Lot 23-B is known as the "Metra Station/Restaurant Parcel" and is located adjacent to the Village Hall and is legally described as follows:

LOT 23-B IN THE FINAL SUBDIVISION AND P.U.D. PLAT OF WILLOW SPRINGS VILLAGE CENTER UNIT 2, BEING A SUBDIVISION OF PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 33 AND PART OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 32, ALL IN TOWNSHIP 38 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, RECORDED DECEMBER 4, 2001 AS DOCUMENT 0011136422.

(b) At or before the closing under said "Contract for Purchase of Real Estate," Developer, as purchaser thereunder, shall direct the seller thereunder to convey by Warranty Deed or Trustee's Deed in recordable form and to be approved by the Village's Attorney, all of seller's right, title and interest in and to Lot 23-B to the Village. At the closing of Lot 23-B, the Village shall direct the Bond Trustee under the Series 2006 Bonds (as hereinafter defined) to deposit into the closing escrow up to the sum of \$350,000.00 as and for the net purchase proceeds of said seller's interest in Lot 23-B. In addition, Developer, as purchaser under the "Contract for Purchase of Real Estate" shall complete all requirements of purchaser thereunder and will cooperate with the Village to secure all documents to be provided to purchaser thereunder at the closing, including, but not limited to an Affidavit of Title and an Owner's Title Insurance Policy. Provided, however, that Developer shall direct that the Affidavit of Title be provided for the benefit of the Village and that the Owner's Policy of Title Insurance shall be provided for the benefit of the Village as the owner-insured thereunder. All expenses of closing not paid by Seller shall be the responsibility of the Village.

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3.2 Lots 24-A and 24-B - West Side Market Street; Purchase; Developer Initial Pre-Loan Expenses; Project Commencement Date.

(a) Developer has entered into two (2) separate "Contract for Purchase of Real Estate" to acquire Lots 24-A and 24-B, known as the "West Side Market Street Lots" legally described as follows:

LOTS 24-A AND 24-B, INCLUSIVE, IN THE FINAL SUBDIVISION AND P.U.D. PLAT OF WILLOW SPRINGS VILLAGE CENTER UNIT 2, BEING A SUBDIVISION OF PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 33 AND PART OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 32, ALL IN TOWNSHIP 38 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, RECORDED DECEMBER 4, 2001 AS DOCUMENT 0011136422.

Lots 24-A and 24-B are also referred to as the "Developer Property". At the closing of the purchase of the Developer Property by Developer, Village shall direct the Bond Trustee under the Series 2006 Bonds (as hereinafter defined) to deposit the sum of up to \$2,800,000 into the buy-sell closing escrow to be used for payment of the purchase price of the Developer Property as described on Exhibit D. Developer, as purchaser under the two "Contract for Purchase of Real Estate" shall be responsible for all other matters pertaining to the closing and acquiring title to the Developer Property.

(b) Village and Developer understand and agree, that in order for Developer to commence construction of the Project on the Developer Property, it must be able to open its development/construction financing loan(s) which will require Developer to secure certain pre-construction sales contracts for residential units. Therefore, forthwith upon Developer closing on the purchase of the Developer Property, Developer shall, in good faith, exercise its best efforts and shall proceed diligently to take all actions necessary and incur costs and expenses necessary to prepare the Developer Property and market the project in order to secure the necessary pre-construction sales contracts needed to open its development/construction loan(s). In order for Developer to take such actions and incur the costs required, and in order for Developer and Village to provide for a final date whereby if Developer has not been able, despite its best efforts to open its development/construction loan(s) and commence construction of the Project by a date certain, Developer shall be required to convey the Developer Property upon the demand of the Village pursuant to Paragraph (c) below, Developer and Village agree as follows:

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- (i) Within 60 days of the closing of Developer's purchase of the Developer Property, Developer shall provide the Village with a firm written commitment for construction/development loan(s) in an amount sufficient for Developer to complete the Project and which commitment shall contain such pre-construction sales requirements and full access requirements from Market Street to Archer Avenue as may be necessary for Developer to open said loan(s) (hereinafter referred to as the "Developer Loan");
- (ii) Developer may encumber the Developer Property by pledge or mortgage to provide security for loan(s) up to the sum of \$800,000 (which sum may be increased to an amount not to exceed \$1,000,000 provided that all requirements of the Developer Loan are met and the Developer proceeds with construction plans from its architect) to pay for items necessary to secure pre-construction sales contracts, including, but not limited to: completing final architectural and building plans; completing final engineering and other land development plans; applying for all necessary building permits for the Project; marketing the Project; installing sales trailers and model units of the residential units to be part of the Project and other such related matters;
- (iii) Following Developer's purchase of the Developer Property, Developer shall meet with representatives of the Village on or before December 1, 2006 and upon 5 days' written notice from the Village thereafter and at such meetings developer will provide a written status report to the Village concerning Developer's marketing and pre-construction sales efforts and results, including an abstract detailing all pre-construction sales contracts; and
- (iv) Any pre-construction sales contracts/commitments that Developer shall enter into shall be fully conditional such that should the Developer Property be conveyed by Developer to the Village pursuant to Paragraph (c) below, that such contracts/commitments shall be thereupon terminated and rendered null and void with no further obligations or liabilities on the part of Developer or the Village. And, upon such termination of any such contracts, Developer shall return all deposits made to the prospective purchasers.
- (c) In the event Developer has not, on or before October 1, 2007: (i) opened the Developer Loan for the construction of the Project; and (ii) secured

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substantially all required development and building permits required from all governmental entities having jurisdiction of the Project; and (iii) commenced construction of the Project's building(s), then, and in that event, the Village may demand that on October 1, 2007, or any date thereafter, that the Developer convey the Developer Property to the Village by Warranty Deed in recordable form to be approved by the Village's attorneys. Such conveyance and the conditions of title of the Developer Property upon conveyance shall be subject only to the following:

- Property of Cook County Clerk's Office
- (i) A mortgage or other pledged document securing the Developer's pre-construction expenses as set forth in Paragraph (b)(ii) above;
 - (ii) Only those covenants, conditions and easements of record existing at the time that Developer took title to the Developer Property; and
 - (iii) Real estate taxes due and owing after October 1, 2007. Developer shall be responsible for all real estate taxes due through September 30, 2007.
- (d) Developer and Village further agree that in the event of a conveyance of the Developer Property to the Village on October 1, 2007, the following shall apply:
- (i) Developer shall forthwith provide Village with original lien waivers from all contractors and/or subcontractors working on the Developer Property during Developer's ownership of the Developer Property. And, Developer shall otherwise satisfy any mechanic's liens or other liens attaching to the Developer Property as a result of any work or contracts done by or entered into by Developer during its ownership of the Developer Property;
 - (ii) Developer shall indemnify, defend, save and hold the Village, its corporate authorities, employees, agents and consultants harmless from and against any claims whatsoever resulting from Developer's ownership or use of the Developer Property during its ownership of the Developer Property. Such indemnity shall include the reimbursement of all legal fees and costs incurred by Village, including those incurred enforcing this provision;
 - (iii) Developer shall forthwith provide Village with originals and/or copies of all of its work product, plans, permits and the like

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secured and completed by Developer for the Project and pertaining to the Developer Property and shall assign the rights to use such documents to the Village; and

- (iv) Each party shall fully cooperate, including executing all normal and necessary real estate transfer documents necessary to complete the transfer and conveyance of the Developer Property from Developer to the Village.

3.3 *Construction of Developer Redevelopment Project.* The Developer will cause the Developer Redevelopment Project to be built, installed and constructed in substantial compliance with this Agreement and as described on Exhibit B. The Developer will not commence construction of the Developer Redevelopment Project until it has obtained all necessary Village permits and zoning approvals legally required prior to commencement of construction. The Village shall act reasonably and diligently so as not to unduly delay the issuance of any required permits.

3.4 *Progress Reports.* The Developer shall provide the Village with written quarterly progress reports detailing the status of the Developer Redevelopment Project, abstract of sales contracts, construction schedule, and a revised completion date, if necessary.

3.5 *Feasibility.* The Developer hereby represents and warrants to the Village that the Developer has conducted studies and planning sufficient to conclude that the Developer Redevelopment Project may be constructed, completed and operated in accordance with the Redevelopment Plan and this Agreement.

3.6 *Future Incentives for Development.* The Developer acknowledges that the Village is under no obligation to grant incentives other than as provided herein.

3.7 *Builders Risk and General Liability Insurance.* The Developer agrees to maintain builders risk and general liability insurance with such limits as would be customary for a project of the size and type of the Developer Redevelopment Project. The Village shall be named as an additional insured, as its interests may appear, with respect to such insurance policies.

3.8 *Environmental Matters.* The Developer agrees to comply with all applicable environmental laws of any federal, state or local jurisdiction. The Developer agrees that it will not permit or allow the use, storage, generation, treatment, disposal or release of any hazardous substances on the Developer Property. Any environmental reports provided to the Developer with respect to the "Metra Station/Restaurant Parcel" shall be assigned to the Village.

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SECTION 4

REDEVELOPMENT PROJECT COSTS

4.1 *Costs and Sources of Funds.*

(a) The Developer intends to pay all of the costs of the Developer Redevelopment Project in the amounts substantially shown on Exhibit C, Developer Redevelopment Project Budget.

(b) In order that the Developer will proceed with the Developer Redevelopment Project, the Village agrees to provide the financial assistance set forth on Exhibit D, Developer Incentives.

(c) The parties hereto acknowledge and agree, and the Village does hereby make an affirmative finding of fact, that the Developer Redevelopment Project would not reasonably be constructed without the Developer Incentives provided herein.

4.2 *Not General Obligation.* The sole and only source for the payment of the Developer Incentives are the Series 2006 Bonds and Incremental Property Taxes received by the Village attributable to the Developer Property, subject to certain prior payments, priorities and conditions, all as more specifically set forth on Exhibit D, Developer Incentives. No person shall have the right to compel the exercise of any taxing power of the Village for payment thereof. No obligation of the Village under this Agreement shall constitute an indebtedness of the Village or a loan of credit thereof. The Village will not amend the TIF Ordinances so as to shorten the termination date thereof from that provided therein.

4.3 *Assignment.* The rights of the Developer under this Agreement are not assignable and are not subject to lien or collateral assignment without the express written consent of the Village, which the Village can withhold upon its unilateral determination for no or any cause.

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SECTION 5

ELIGIBILITY OF REDEVELOPMENT PROJECT COSTS

5.1 *Submission of Redevelopment Project Costs.* Developer, from time to time, may submit to the Village a request to certify the eligibility of certain expenditures as Eligible Costs. Certification as an Eligible Cost is a prerequisite to reimbursement by the Village as provided in this Agreement. Accompanying each request, the Developer shall submit documentation regarding the applicable expenditures therein identified so as to demonstrate that such costs constitute bona fide expenditures actually made in connection with the Developer Redevelopment Project, and are otherwise qualified in accordance with the Act; that the Developer has approved all work and materials relating to such expenditures; and that the Developer has received no notice and has no knowledge of any mechanics' liens or claim of mechanics' liens either filed or threatened against the Developer Redevelopment Project with respect to expenditures for which the Developer is requesting reimbursement, and that the expenditures are identified pursuant to this Agreement as being eligible for reimbursement.

5.2 *Review of Request.* On behalf of the Village, the Village Administrator shall review all expenditures and documents submitted by the Developer and approve or deny the request within 10 business days after submission of all required documents. Such request shall be approved if in accordance with the provisions of this Agreement and not contrary to the Act.

5.3 *Reimbursement.* Reimbursement of Eligible Costs shall be made only as provided for on Exhibit D, Developer Incentives. No expenditures shall be subject to reimbursement until certified as an Eligible Cost.

SECTION 6

DEVELOPER PAYMENTS

6.1 *Real Estate Taxes.* The Developer has all rights granted by Illinois law concerning the payments of, collection of, or challenge to the ad valorem taxes to be extended against the real property in the Redevelopment Project Area and any and all other forms of taxation imposed by the Village in the Redevelopment Project Area.

6.2 *No Private Payments.* The Village and the Developer recognize that payments from the Developer to the Village, other than payments made by the Developer of taxes of general applicability, may be deemed to be private payments under the Internal Revenue Code of 1986, as amended (the "Code"), and that any

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such payments may cause interest on tax-exempt obligations to be includable in the gross income of the owners thereof for federal income tax purposes. Accordingly, the Village and the Developer covenant and agree that the Village will accept no payment from the Developer pursuant to any provision of this Agreement without first obtaining the advice of Bond Counsel that such payment will not impair the status of interest on any tax-exempt obligations issued under the Code as not includable in the gross income of the owners thereof for federal income tax purposes.

6.3 *Taxes of General Applicability.* The Village hereby expressly agrees and recognizes that security for tax-exempt obligations and payments of debt service on tax-exempt obligations are limited to taxes of general applicability. The Village recognizes that improper agreements with taxpayers may cause tax receipts to be classified as private payments under the Code. Accordingly, the Village covenants not to enter into or enforce any agreements with any taxpayers, including, specifically, the Developer, that would modify the obligations of such taxpayers under general law without an opinion of Bond Counsel that such agreement or enforcement will not adversely affect the tax-exempt status of interest on any tax-exempt obligations for federal income tax purposes. No provision of any agreement will be enforced for the benefit of the holders of tax-exempt obligations or in any way to increase revenues available to pay debt service on tax-exempt obligations.

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SECTION 7

COVENANTS/REPRESENTATIONS/ WARRANTIES OF THE DEVELOPER

7.1 *General.* The Developer represents, warrants and covenants that:

- (a) the Developer is an Illinois limited liability company duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;
- (b) the Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;
- (c) the execution, delivery and performances by the Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate its Articles of Organization, Operating Agreement or any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;
- (d) the Developer is now and for the Term of the Agreement shall remain solvent and able to pay its debts as they mature;
- (e) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the Developer which would impair its ability to perform under this Agreement; and
- (f) the Developer has obtained, or shall obtain from time to time maintain during the Term of this Agreement, all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to commence construction, complete and operate the Developer Redevelopment Project.

7.2 *Redevelopment Plan.* The Developer represents that the Developer Redevelopment Project is and shall be substantially in compliance with and in furtherance all of the terms of the Redevelopment Plan and this Agreement.

7.3 *Developer's Liabilities.* The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material

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obligations of the Developer to any other person or entity. The Developer shall immediately notify the Village of any and all events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

7.4 *Compliance with Laws.* To the best of the Developer's knowledge, after diligent inquiry, the Developer Redevelopment Project is and shall be in compliance with all applicable federal, state or local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Developer Redevelopment Project and the Redevelopment Project Area.

7.5 *Compliance with Agreements.* The Developer will comply with all contracts, licenses, permits and agreements relating to the Developer Redevelopment Project. Developer shall immediately notify the Village in writing of the occurrence of any default under any such contract, license, permit or agreement.

7.6 *Public Improvements.* The Developer shall, with respect to any public improvements located within the public right-of-way, comply with the provisions of the Illinois Workers on Public Works Act, 30 ILCS 570/0.02, *et seq.* and the Prevailing Wage Act, 820 ILCS 130/0.01, *et seq.* as applicable.

7.7 *Survival of Covenants.* All warranties, representations, covenants and agreements of the Developer contained in this Agreement shall be true, accurate and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto.

7.8 *Further Incentives.* The Developer acknowledges that the Village has represented that no further economic development agreements, financial assistance agreements, incentives, business development agreements, or other similar agreements whereby the Village would pay monies from any source in order to encourage a development within the Redevelopment Project Area, will be authorized by the Village.

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SECTION 8

COVENANTS/REPRESENTATIONS/WARRANTIES OF THE VILLAGE

8.1 *General.* The Village represents and warrants that it has the authority to execute and deliver this Agreement and to perform its obligations hereunder.

8.2 *Validity of TIF Ordinances.* The Village represents and warrants that the TIF Ordinances: (i) were duly passed and approved after all required notices and public hearings, (ii) are in compliance with the Act, and (iii) as of the date of the execution of this Agreement by all parties, are in full force and effect without amendment or repeal.

8.3 *Survival of Covenants.* All warranties, representations, and covenants of the Village contained in this Agreement shall be true, accurate, and complete at the time of the Village's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto.

8.4 *Utility Connections.* The Developer may connect all on-site water, sanitary, storm and sewer lines constructed within the Redevelopment Project Area to Village utility lines existing on or near the perimeter thereof, provided the Developer first complies with all normal Village requirements governing such connections, including engineering approval and the payment of customary fees and costs related thereto.

8.5 *Permit Fees, Review Fees and Issuance.* The Village agrees that its building permit fees, impact fees, demolition fees, building review fees, inspection fees, engineering fees or utility tap-on fees for the Developer Redevelopment Project shall be set at \$300,000, to be payable as provided herein. In addition the Developer agrees to reimburse the Village for the actual costs of outside plan review in an amount not to exceed \$50,000. The Developer shall be responsible for the payment of all fees to other governmental agencies required for the Developer Redevelopment Project.

8.6 *Land Use Approvals.* The development of the Developer Property as described on Exhibit B shall be governed by the Village of Willow Springs Zoning Ordinance as modified by the provisions of Ordinance No. 19-O-2006.

8.7 *Archer Avenue Access.* The Village has submitted a permit application to the Illinois Department of Transportation ("IDOT") to permit full access from Market Street to Archer Avenue. The Village shall expeditiously provide and maintain such full access as soon as permitted by IDOT. The Village agrees to use

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its best efforts, including the expenditure of Village funds as required, to provide such access as quickly as possible, but no later than November 1, 2008.

SECTION 9

INDEMNIFICATION

9.1 *Developer Indemnification of Village.* The Developer agrees to indemnify, defend and hold the Village harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonably attorneys' fees and court costs) suffered or incurred by the Village arising from or in connection with: (i) the construction of Developer Redevelopment Project, (ii) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, (iii) the existence of any material misrepresentation or omission in this Agreement or the Redevelopment Plan that is the result of information supplied or omitted by the Developer or its agents, employees, contractors or persons acting under the control or at the request of the Developer, or (iv) the Developer's failure to cure any misrepresentation by the Developer in this Agreement.

9.2 *Defense of Redevelopment Project Area and Agreement.* In the event that any court or governmental agency having jurisdiction over enforcement of the Act and the subject matter contemplated by this Agreement shall determine that this Agreement is contrary to law, or in the event that the legitimacy of the Redevelopment Project Area is otherwise challenged before a court or governmental agency having jurisdiction thereof, the Village will defend the integrity of such areas and this Agreement.

SECTION 10

MAINTAINING RECORDS/RIGHT TO INSPECTION

10.1 *Books and Records.* The Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Developer Redevelopment Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Developer Redevelopment Project. All such books, records and other documents pertaining to the sales or rental of condominium units, public improvements, and Eligible Costs shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the Village. The Developer shall incorporate this right to inspect, copy, audit and examine all books

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and records into all contracts entered into by the Developer with respect to the Developer Redevelopment Project.

10.2 *Inspection Rights.* Upon 5 calendar days' notice, any authorized representative of the Village shall have access to all portions of the Developer Redevelopment Project and the Developer Property during normal business hours for the Term of the Agreement for the purpose of determining compliance with this Agreement. Building inspectors of the Village shall have access to the Developer Property at all times without prior notice. Any Village representative on the construction site shall comply with OSHA.

SECTION 11

CLOSING CONTINGENCIES

11.1 *Closing Contingencies.* No party shall have any liability under this Agreement in the event that:

- (a) The Fourth Amendment to Redevelopment Agreement (Village Center Redevelopment) approved by Ordinance No. 6-O-2006 is not executed, is terminated, or the closing conditions set forth in Section 7.2 thereof do not occur;
- (b) The Village does not issue the Series 2006 Bonds;
- (c) The Agreement by and between the Heritage Renaissance Partners, L.L.C, Hinsbrook Bank & Trust, Town Center Condominium, L.L.C., DJF Heritage, L.L.C., David J. Faganel, and Town Center Partners, LLC, is not executed, is terminated, or the closings set forth therein do not occur,

unless the failure of such closings is the result of the willful act of the Village.

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SECTION 12

EVENTS OF DEFAULT

12.1 *Events of Default.* The occurrence of any one or more of the following events, subject to the provisions of Section 13.3, shall constitute an "Event of Default" hereunder by the applicable party:

- (a) the failure of a party to perform, keep or observe, in all material respects, the covenants, conditions, promises, agreements or obligations of such party under this Agreement or any related agreement;
- (b) the making or furnishing by a party of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which, when made, is or was materially untrue or materially misleading in any material respect;
- (c) the commencement or any proceedings in bankruptcy by or against a party or for its liquidation or reorganization, or alleging that such party is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of a party's debts, whether under the United States Bankruptcy code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving such party; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within 90 days after the commencement of such proceedings;
- (d) the appointment of a receiver or trustee for a party, for any substantial part of such party's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of such party; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within 90 days after the commencement thereof; or
- (e) the entry of any judgment or order against a party in an amount in excess of \$100,000 which remains unsatisfied or undischarged and in effect for 90 days after such entry without a stay of enforcement or execution.

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12.2 *Suspension of Disbursements.* Upon the occurrence of an Event of Default, the Village may suspend all reimbursement of the Developer for Eligible Costs. The Village may, in any court of competent jurisdiction by any other action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to, injunctive relief or the specific performance of this Agreement.

12.3 *Curative Period.* In the event a party to this Agreement shall fail to perform a monetary covenant which it is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless that party has failed to perform such monetary covenant within 30 days of its receipt of a written notice from the other party specifying that it has failed to perform such monetary covenant. In the event a party to this Agreement shall fail to perform a monetary or non-monetary covenant which it is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless that party has failed to cure such default within 60 days of its receipt of a written notice from the other party specifying the nature of this default, provided, however, with respect to those non-monetary defaults which are not capable of being cured within such 60-day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 60-day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

12.4 *Termination of Proceedings.* In case the Village or Developer shall have proceeded to enforce any right under this Agreement, and such proceeding or other action shall have been discontinued or abandoned for any reason (including a determination that no Event of Default has occurred and continues to exist), or such proceeding or other action shall have been determined adversely, then and in every such case, the Village and the Developer shall be restored to their former positions and rights hereunder, respectively, with regard to the Developer Property or rights subject to this Agreement, and all rights, remedies and powers of the parties hereto shall continue as if no such proceeding had been taken.

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SECTION 13

NOTICE

13.1 *Notice.* Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) telecopy or facsimile; (c) overnight courier; (d) email; or (e) registered or certified mail, return receipt requested:

IF TO VILLAGE:

Village of Willow Springs
1 Village Circle
Willow Springs, Illinois
Attention: Village President

and to: Odelson & Sterk, Ltd.
3318 West 95th Street
Evergreen Park, IL 60805
Attention: Burton S. Odelson & Michael J. McGrath

IF TO DEVELOPER:

RTG-Willow Springs, LLC
322 West Burlington Avenue
LaGrange, IL 60525

and to: Matthew M. Klein, Esq.
322 West Burlington Avenue
LaGrange, IL 60525

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SECTION 14

MISCELLANEOUS

14.1 *Amendment.* This Agreement and the Exhibits attached hereto may not be amended without the prior written consent of the Village and the Developer. Consent of the Village must be approved by an ordinance passed by the Village President and Board of Trustees.

14.2 *Entire Agreement.* This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) and the documents, agreements and other instruments to which reference is made herein or therein constitute the entire agreements between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

14.3 *Limitation of Liability.* No member, official or employee of the Village shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the Village or for any amount which may become due to the Developer from the Village or any successor in interest or on any obligation under the terms of this Agreement. No member, manager or employee of the Developer shall be personally liable to the Village in the event of any default or breach by the Developer or for any amount which may become due to the Village from the Developer or any successor in interest or on any obligation under the terms of this Agreement. The sole remedies of the Developer for any breach of this Agreement are specific performance, *mandamus* or *quo warranto*.

14.4 *Further Assurances.* The Developer and the Village agree to take certain actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

14.5 *Waiver.* Waiver by the Village and the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the Village or the Developer in writing.

14.6 *Enforceability of the Agreement.*

(a) This Agreement shall be enforceable in any court of competent jurisdiction by any of the parties by an appropriate action at law or in equity to secure the performance of the provisions and covenants herein described.

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(b) Any violation of this Agreement by a party shall entitle the other party to the remedy of specific performance, and any other remedy available at law or in equity, but in no event shall any judgment for monetary damages or award be entered against the Village, its officers or employees or against the members, managers, or employees of the Developer.

(c) All remedies provided for in this Agreement are cumulative and the election or use of any particular remedy by any of the parties hereto shall not preclude that party from pursuing such other or additional remedies or such other or additional relief as it may be entitled to either in law or in equity.

14.7 *Disclaimer.* Nothing contained in this Agreement, nor any act of either or both parties to this Agreement, shall be deemed construed by any of the parties or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship by or among such parties except as expressly set forth herein.

14.8 *Headings.* The paragraph and section headings contained herein are for convenience only and are not intended to limit, vary, define or expand the content thereof.

14.9 *Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

14.10 *Severability.* If any provision in this Agreement, or any paragraph, sentence, clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Agreement shall be construed as if such invalid part were never included herein and the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

14.11 *Conflict.* In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, if any, the TIF Ordinances shall prevail and control.

14.12 *Governing Law.* This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

14.13 *Form of Documents.* All documents required by this Agreement to be submitted, delivered or furnished to the Village shall be in form and content

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satisfactory to the Village, which approval shall not be unreasonably withheld or delayed.

14.14 *Termination.* The Developer shall have the right to terminate this Agreement at any time prior to the first anniversary of the date hereof if, in the Developers sole discretion, litigation shall be pending in, or judgment entered by, a court of competent jurisdiction relative to the alleged invalidity of the Redevelopment Project Area, this Agreement, or the TIF Ordinances; or IDOT permits to allow full access from Market Street to Archer Avenue have not been issued, in which event all further financial obligations of the Developer shall cease.

14.15 *Binding Effect.* This Agreement shall be binding upon the Developer, the Village and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer, the Village and their successors and permitted assigns (as provided herein).

14.16 *Force Majeure.* Neither the Village nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty strike, litigation concerning the Developer Redevelopment Project or the Redevelopment Project Area, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below-freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder.

14.17 *Exhibits.* All of the exhibits attached hereto are incorporated herein by reference.

14.18 *Third Parties.* Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the Village and Developer, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to either the Village or Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the Village or Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

14.19 *Time of the Essence.* Time is of the essence of this Agreement.

14.20 *Cooperation.* The Village and Developer each covenants and agrees that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto

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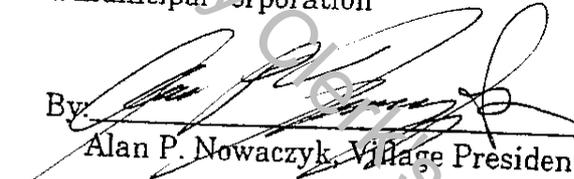
and such further acts, instruments, pledges and transfers as may be reasonably required for the better clarifying, assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the Village or Developer or other appropriate persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

14.21 *Assignment and Successors in Interest.* This Agreement may not be assigned by the Developer. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective authorized successors. Nothing herein contained shall be construed as a prohibition against Developer leasing or conveying any Developer Property upon the completion of construction for that portion of the Developer Redevelopment Project.

14.22 *No Joint Venture, Agency or Partnership Created.* Nothing in this Agreement, nor any actions of the parties to this Agreement, shall be construed by the parties or any third person to create the relationship of a partnership, agency or joint venture between or among such parties.

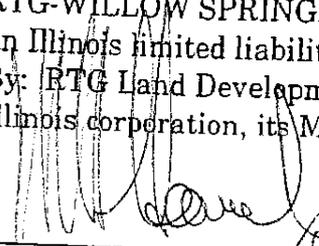
IN WITNESS HEREOF, the parties hereto have executed and delivered this Agreement in the State of Illinois, on the date first written above.

VILLAGE OF WILLOW SPRINGS,
a municipal corporation

By: 
Alan P. Nowaczyk, Village President

Attest: 
Sue M. Fredrickson, Village Clerk

RTG-WILLOW SPRINGS, LLC,
an Illinois limited liability company
By: RTG Land Development Corp., an
Illinois corporation, its Manager


Richard S. Gammonley,
Executive Vice President

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EXHIBIT A DEVELOPER PROPERTY

Lots 24-A And 24-B, inclusive, in the final subdivision and P.U.D. plat of Willow Springs Village Center Unit 2, being a subdivision of part of the West 1/2 of the Southwest 1/4 of Section 33 and part of the East 1/2 of the Southeast 1/4 of Section 32, all in Township 38 North, Range 12, East of The Third Principal Meridian, in Cook County, Illinois, recorded December 4, 2001 as Document 0011136422.

P.I.N.S.: 18-32-409-001 and 002

300 Village Circle
Willow Springs, IL 60490

PROPERTY OF COOK COUNTY CLERK'S OFFICE

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EXHIBIT B

DEVELOPER REDEVELOPMENT PROJECT

The Developer Redevelopment Project shall be in substantially the form approved by Ordinance No. 19-O-2006 passed June 8, 2006 consisting of the following components:

1. 18,458 gross square feet of retail area
2. 1 5-story condominium building containing a total of 57 residential condominium units and 3 residential townhomes; and 1 4-story condominium building containing a total of 43 residential condominium units.
3. Residential parking for 141 vehicles indoor and 31 vehicles outdoor
4. Retail parking for 67 vehicles outdoor
5. Green roof, public terrace, clubhouse and swimming pool

The Willow Springs West Market Condominiums plan (9 pages) prepared by PPKS Architects Ltd. dated June 8, 2006 is hereby incorporated by reference.

The Developer shall be permitted to erect two sign faces of a maximum 192 square feet each such that the top of the sign is not more than 26 feet above ground level at locations near the intersection of Archer Avenue and Willow Springs Road meeting the setback requirements of the Illinois Department of Transportation and the Village, if any, for the purpose of marketing the Developer Redevelopment Project.

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EXHIBIT C

REDEVELOPMENT PROJECT BUDGET

Willow Springs
103 Condominium Units
1,487 Sq. Ft. Average
16,679 Sq. Ft. Retail

Sales

Condominiums (153,135 x \$190 per sq. ft.) =	29,095,650
Retail (Sale) (16,679 sq. ft. x \$19/Sq. Ft. @ 9 cap) =	3,521,122
Parking (69 x 10,000) =	<u>690,000</u>
	33,306,772

Less

Commissions (6% x 29,095,650) =	1,745,739
Closing Costs (1,000 x 117) =	103,000
Retail Commission 6% x 3,521,122 =	<u>211,267</u>
	<2,060,006>

31,246,766

Land

< 0 >

31,246,766

Development

Club House	
ComEd	250,000
Curbs	52,550
General Conditions	60,000
Landscaping	750,000
Parking	90,700
Pool	80,000
Roofing/Terrace	165,000
Site Lighting	470,000
Streets	103,571
	<u>19,900</u>
	<2,042,621>

29,204,145

Soft Costs

Architectural/Engineering	850,000
Condo Dues	150,000
Geotechnical	10,000
Insurance	60,000
Legal	40,000
Office/Marketing	750,000
Taxes	60,000
Title	<u>50,000</u>
	<1,970,000>

27,234,145

Interest & Pts

9.5%

<1,500,000>

25,734,145

Construction Cost

Condo (153,135 x \$145 sq. ft.)	<22,204,575>
Retail (16,679 x \$105 sq. ft.)	< 1,751,295>
	<23,955,870>

1,778,275

Village Incentive

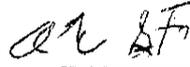
2,718,139

Net Profit

4,496,414 13.5 %

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Revised 10/05/06



Village


RTC

EXHIBIT D
DEVELOPER INCENTIVES

1. The Village will provide to Developer the purchase price of the Developer Property in the amount of \$2,860,000 in accordance with Section 3.2(a) of the Redevelopment Agreement, which amount shall be used for the purchase of the Developer Property. The Developer shall present evidence that it has paid for the Developer Property with such deposit and that it possesses merchantable title to the Developer Property. The \$2,860,000 deposited into the escrow shall not be disbursed to the sellers until approval of title matters is made by a representative of the Village, which shall be a signatory to any escrow Redevelopment Agreement.
2. From the proceeds of the Series 2006 Bonds the amount of \$300,000 shall be paid to the Village for Developer building permit, impact, plan review, inspection, and utility connection fees, subject to the provisions of Section 8.5.
3. The Village will reimburse the Developer for approximately \$450,000 of other Eligible Costs from the proceeds of the Series 2006 Bonds. In the event that the Village reimburses the Developer for an amount in excess of \$450,000, then the amount of the Developer Note provided for in paragraph 5 below shall be reduced by 150% of the excess over \$450,000.
4. The Village will be issuing \$5,000,000 General Obligation Bonds (Alternate Revenue Source), Series 2006 (the "Series 2006 Bonds") in order to provide funding for the Developer incentives in paragraphs 1 through 3 above. In the event that the Developer does not have adequate documentation at the time that the Series 2006 Bonds are closed, the Village agrees that \$3,500,000 of the bond proceeds shall be deposited into a separate account which shall be held solely for the purpose of paying the above Developer incentives.
5. The Village agrees to reimburse the Developer for a total of \$2,718,139 of Eligible Costs. Reimbursement shall be made through an amount paid at closing as set forth in paragraph 2 above with the balance being reimbursed (as calculated in paragraph 2 above) through the mechanism of a developer note (the "Developer Note") in substantially the form attached hereto as Exhibit E.
6. (a) The Developer Note shall be payable solely from the Incremental Property Taxes received by the Village and deposited into the Junior Lien Gammonley Sub-Account of the Junior Lien Principal and Interest Account, as more fully described in paragraph 8 of the Bond Order dated August 31, 2006 which supplements and modifies the Series 2006 Bond Ordinance (Ordinance No. 25-O-2006 passed by the Village on June 29, 2006).

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Revised 10/05/06



Village



RTG

- (b) That portion of the annual Program Expense Requirement for the Developer Property is \$25,000 which shall be paid as set forth in paragraph 8 of the Bond Order dated August 31, 2006 which supplements and modifies the Series 2006 Bond Ordinance (Ordinance No. 25-O-2006 passed by the Village on June 29, 2006).
- (c) The Developer Note shall bear interest at the rate of 9.25% from the date that each eligible Developer Redevelopment Project cost is approved by the Village upon the unpaid principal amount thereof. Payments on the Developer Note shall apply as follows: first, Deferred Accrued Interest, second, Current Interest, and third, mandatory redemption of the outstanding principal amount.
- (d) The Developer Note shall mature on the date that it is paid in full or upon the termination of the Redevelopment Project Area, whichever shall occur first. The Developer Note shall be subject to prepayment at any time at the option of the Village at par plus accrued interest.
- (e) The Developer Note is not a general obligation of the Village and does constitute a debt of the Village within the meaning of any constitutional or statutory provision or limitation. No holder shall have the right to compel the exercise of any taxing power of the Village for payment of principal or interest on the Developer Note.
- (f) So long as the Developer Note is outstanding, the Village agrees that it will not issue any Additional Bonds or other obligations except those payable on a subordinated basis to the Developer Note from the Gammonley Incremental Property Taxes.
7. All terms not defined herein shall have the meaning attributed to them under Ordinance No. 25-O-2006 authorizing the Series 2006 Bonds.

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UNOFFICIAL COPY**EXHIBIT E
(FORM)****VILLAGE OF WILLOW SPRINGS, COOK COUNTY, ILLINOIS****NON-RECOURSE DEVELOPER NOTE****(RTG-Willow Springs, LLC Project)****SERIES 2006**

FOR VALUE RECEIVED, THE VILLAGE OF WILLOW SPRINGS, COOK COUNTY, ILLINOIS (the "Village"), an Illinois municipal corporation, promises to pay to the order of RTG-Willow Springs, LLC, an Illinois limited liability company (the "Payee") the principal sum of not to exceed \$2,718,139, in the manner hereinafter provided. This Developer Note is made pursuant to that certain Redevelopment Agreement (the "Redevelopment Agreement") dated as of June 29, 2006, by and between the Village and the Payee as approved by the RTG Redevelopment Agreement Ordinance. All capitalized terms, as hereinafter applied, shall have the same meaning as provided within the Redevelopment Agreement. Amounts of principal and interest under this Developer Note shall be payable only from the Incremental Property Taxes deposited into the Junior Lien Gammonley Sub-Account of the Junior Lien Principal and Interest Account, as more fully described in paragraph 8 of the Bond Order dated August 31, 2006, which supplements and modifies the Series 2006 Bond Ordinance (Ordinance No. 25-O-2006 passed by the Village on June 29, 2006) (collectively the "Gammonley Net Incremental Property Taxes").

1. **AUTHORITY.** This Developer Note is issued pursuant to the exercise of the Village's power and authority under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the "Act"), the RTG Redevelopment Agreement Ordinance, and the Series 2006 Bond Ordinance. In accordance with the Redevelopment Agreement, the Village is issuing this Developer Note for the purpose of reimbursing the Payee for Eligible Costs incurred in accordance with the Act and the Redevelopment Agreement. In the event of any conflict between the terms of this Developer Note and the Redevelopment Agreement, the RTG Redevelopment Agreement Ordinance, and the Series 2006 Bond Ordinance, the provisions of the Series 2006 Bond Ordinance shall be controlling.

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2. **SECURITY.** This Developer Note is secured by the Gammonley Net Incremental Property Taxes received by the Village which have been irrevocably pledged to the payment of this Developer Note, as more fully described in the Bond Order dated August 31, 2006 which amends and supplements the Series 2006 Bond Ordinance (the "Bond Order"). The amount of the Gammonley Net Incremental Property Taxes, if any, available to repay this Developer Note shall be annually calculated as described in the Bond Order.

The Village's financial obligations relating to this Developer Note shall be solely, and only to the extent of the availability of Gammonley Net Incremental Property Taxes generated within the Redevelopment Project Area, if any, as and when received, accounted for, allocated and applied pursuant to the terms of the Act and this Developer Note. **THIS DEVELOPER NOTE SHALL NOT CONSTITUTE A DEBT OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.**

Payments of Gammonley Net Incremental Property Taxes to pay this Developer Note shall not be subject to any additional appropriation process of the Village. Said payments shall be disbursed in accordance with this Developer Note and the Redevelopment Agreement without further action by the Village, except as may be required by law.

3. **PURPOSE.** To the extent available, the Gammonley Net Incremental Property Taxes shall be used in accordance with the Redevelopment Agreement and to make payments to Payee under this Developer Note as reimbursement to Payee solely for Eligible Costs incurred by Payee and which have been approved by the Village in accordance with the provisions of the Redevelopment Agreement.

4. **TERMS.** The terms and conditions of the Redevelopment Agreement are hereby incorporated into this Developer Note by this reference as if fully set forth herein. The Payee and any person having any interest in this Developer Note hereby assent to the terms and conditions of the Redevelopment Agreement as such may affect the Developer Note.

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- A. **Principal** - The principal amount of the Developer Note (the "Principal") shall not exceed \$2,718,139. The Principal shall be marked up to reflect Eligible Costs approved by the Village Administrator pursuant to the Redevelopment Agreement as documented on Exhibit A attached hereto.
- B. **Interest** - Interest shall be paid at the rate of 9.25% per annum compounded semi-annually on unpaid Principal, and shall accrue as of the date of approval of each reimbursement for Eligible Costs as documented on Schedule A. Interest when due ("Current Interest") shall be paid from the Gammonley Net Incremental Property Taxes, and if funds on deposit therein are insufficient for such purpose, such failure to pay shall not in and of itself constitute an event of default, but such interest shall there upon be recorded as deferred accrued interest ("Deferred Accrued Interest").
- C. **Payments** - Payments on the account of the indebtedness represented by this Developer Note shall be made as set forth below, subject to limitations contained herein including, without limitation, the requirement that Gammonley Net Incremental Property Taxes be available to pay this Developer Note. Any and all Gammonley Net Incremental Property Taxes shall be paid to the Payee annually by the Village on December 15, 2006 and on each December 15 thereafter until the Maturity Date as defined herein.. The order of payment on the Developer Note shall be first, Deferred Accrued Interest; second, Current Interest; and third, principal. The Developer Note is subject to prepayment at any time at the option of the Village at a price of par plus accrued deferred interest and current interest. It is hereby expressly provided that in the event that there is an insufficiency of the Gammonley Net Incremental Property Taxes to pay any amount of Current Interest, Deferred Accrued Interest or Principal by the Maturity Date, any such amount of Current Interest, Deferred Accrued Interest or Principal shall be extinguished and shall not be deemed to be owing and unpaid, it being the express intent of the Village that all obligations arising under the Developer Note shall be released upon the Maturity Date.
- D. **Maturity Date** - This Developer Note shall mature on termination of the Village Center Redevelopment Project Area provided that all Gammonley Net

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Incremental Property Taxes received have been disbursed.

- E. No Default - SUBJECT TO PARAGRAPH 7 BELOW, THE FAILURE, EITHER IN WHOLE OR IN PART, TO PAY DEFERRED ACCRUED INTEREST, CURRENT INTEREST, OR PRINCIPAL WHEN DUE UNDER THIS NOTE, SHALL NOT, IN AND OF ITSELF, CONSTITUTE AN EVENT OF DEFAULT.**

5. PLACE OF PAYMENT. Payments under this Developer Note shall be mailed to the address of the Payee, unless the Village has been directed to make such payments in another manner by written notice given to the Village by the Payee at least 15 days prior to the Payment Date. Payments shall be made in such coin or currency of the United States of America as at the time of payment constitutes legal tender for the payment of public and private debts.

6. NO RECOURSE. THIS DEVELOPER NOTE AND THE OBLIGATION TO PAY THE PRINCIPAL AND INTEREST ON THIS DEVELOPER NOTE ARE LIMITED OBLIGATIONS OF THE VILLAGE AND PAYABLE SOLELY FROM GAMMONLEY NET INCREMENTAL PROPERTY TAXES AVAILABLE ON EACH DECEMBER 15, COMMENCING DECEMBER 15, 2006. THIS DEVELOPER NOTE AND THE OBLIGATION TO PAY ON THIS DEVELOPER NOTE DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE VILLAGE OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER.

7. DEFAULT. If on any December 1 Gammonley Net Incremental Property Taxes are available to make any payment required by this Developer Note, and if the Village fails to make a payment on or before the 15th of December of that year, the Village shall, in that instance only, be deemed to be in default under this Developer Note (hereinafter referred to as a "Default"). The Village will not interfere with the tax levy, tax

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extension or tax collection process and will use its best efforts to assure that real estate taxes are collected within the Redevelopment Project Area.

8. **REMEDIES.** The sole and exclusive remedy in conjunction with Default shall be for the Payee to obtain an order of court commanding the Village or such other person as may be authorized and directed by the court to make payment to the Payee of any available Gammonley Net Incremental Property Taxes.

9. **NO WAIVER BY DELAY.** No delay on the part of the holder of this Developer Note in exercising any option to demand payment shall operate as a waiver thereof or preclude the exercise.

10. **VENUE.** The sole and exclusive venue for any action or proceeding under the Developer Note shall be in the Circuit Court of the Cook County, Illinois. This Developer Note for all purposes shall be governed by and construed in accordance with the laws of the State of Illinois.

11. **MISCELLANEOUS.**

A. Time is of the essence hereof.

B. If any provision in this Developer Note is found by a court of law to be in violation of any applicable law, and if such court should declare such provision of this Developer Note to, be unlawful, void or unenforceable as written, then it is the intent of the Village and the Payee that such provision shall be given full force and effect to the fullest possible extent that it is legal, valid and enforceable that the remainder of this Developer Note shall be construed as if such unlawful, void or unenforceable provision was not contained herein, and that the rights, obligations and interests of the Village and the Payee shall continue in full force and effect.

C. Subject to any assignment limitations in the Redevelopment Agreement, upon assignment or other transfer of this Developer Note by Payee or by operation of law, the term "Payee" as used herein shall mean such assignee or other transferee or successor to Payee who may become the holder of this Developer Note by virtue of any assignment or transfer of this Developer Note as more particularly provided

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in the Redevelopment Agreement. This Developer Note shall inure to the benefit of Payee and its successors and assigns and shall be binding upon the Village and its designated successors and assigns.

- D. The Village hereby waives presentment and demand for payment, notices of nonpayment and of dishonor, protest of dishonor and notice of protest.

IN WITNESS WHEREOF, the Village of Willow Springs has caused this Developer Note to be executed in its name and on its behalf by the manual signature of its Village President, and its corporate seal, to be hereunto affixed and attested by the manual signature of its Village Clerk.

Dated: October 5, 2006.

VILLAGE OF WILLOW SPRINGS

Alan P. Nowaczyk, Village President

(SEAL)

Attest:

Sue M. Fredrickson, Village Clerk

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EXHIBIT F

Estimated Developer Note Payments

As of June 29, 2006

The following represents an estimate of the payments on the Developer Note referred to in the Redevelopment Agreement.

The following is merely an example based upon estimated: interest rates, school district requirements, actual construction of the development, tax rates and other matters. This does not represent any commitment on the part of the Village as to specific dollar amounts, and should be viewed only as a sample of developer note payments.

The following assumptions are critical in reviewing the sample analysis.

- Interest rate on the Developer Note of 9.25%.
- School District payments from an assumed maximum of 25% down to approximately 6% of the annual incremental revenues. This 6% rate matches the high water mark, to date, for that paid out to the schools on the eastside TIF projects.
- Based in part upon an analysis that we have recently completed with respect to determining the County Assessor's "effective" assessment rate for tax year 2005 on the existing Village Center condos, we have utilized \$6,000 annual taxes per residential condo unit, which reflect the somewhat higher estimated market prices expected for the proposed condo units.
- Annual inflation rate (applied at the triennial) of 3%.
- 2004 tax rates have been used instead of the higher multi-year average tax rate.

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VALUES PRESENTED ARE ESTIMATES ONLY AND ARE SUBJECT TO REVISIONS BASED UPON CHANGES IN UNDERLYING ASSUMPTIONS

(REDUCED SCHOOL PAYMENT SCENARIO - NOT FOR BOND ANALYSIS)

CANNONLEY-103 RESIDENTIAL UNITS
 (REDUCED SCHOOL PAYMENT SCENARIO - NOT FOR BOND ANALYSIS)
 Village of Willow Springs - Town Center TIF
 Cannonley Project
 Preliminary Tax Pro Forma

Annual Growth Rate of 3% Applied At Triennial After Full Absorption.
 Triennial Years in Bold.

Component	Class Code	Project Description	Sq. Ft./Unit	EST Assessor's Mkt. Value	TIF Life:		Ley Year:		Coefficient Yr:		Yr.								
					2006	2007	2006	2007	2006	2007	2006	2007	2008	2009	2010	2011	2012		
Commercial	4	Residential Units	103	180,770.80	NA	NA	NA	NA	NA	NA	NA	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5			
Commercial	3	Loss: Homeowners Exemption (\$5,000/home)	18,456	70.67	NA	NA	NA	NA	NA	NA	NA	3,546,151	3,212,232	7,172,309	7,172,309	7,807,376			
Total EAV All Components				103	5,000.00	NA	NA	NA	NA	NA	NA	6,277,501	6,277,500	9,185,000	9,185,000	1,173,649	1,173,649		
Property Taxes												1,220,654	6,656,729	7,104,307	7,731,364	9,498,624	9,498,624		
a) Assigned Base EAV												520,159	520,159	520,159	520,159	520,159	520,159		
b) Incremental EAV												2,808,465	5,136,570	6,674,147	7,211,205	7,975,865	7,975,865		
c) Assume 2004 Tax Rate = 9.7990%												9,7990%	9,7990%	9,7990%	9,7990%	9,7990%	9,7990%		
d) Incremental Property Taxes												275,204	503,538	654,000	700,626	781,555	781,555		
e) Cumulative Incremental Property Taxes												275,204	778,733	1,432,733	2,139,359	2,920,914	2,920,914		
TOTAL REVENUES/DEBT SERVICE COVERAGES																			
TOTAL TIF LIFE CUMULATIVE:																			
a) Pledged Incremental Taxes																			
b) Less: School Districts' Lien Amount (Based on 6.2% of Historical Ratio on Enclosed TIF Incremental Revenue)																			
c) Total Revenues Available for Debt Service/Developer Note Payment																			
d) Estimated Annual Debt Service Payment on Bond Issue																			
e) Estimated Debt Service Coverages																			
f) Debt and Other Obligations																			
a) Total Revenues Available for Debt Service/Developer Note Payment																			
b) Less: Estimated Debt Service on Pledged \$5,000,000 Bond Issue																			
c) Less: Proposed Village Administrative Program Fund																			
d) Estimated Revenues Available for Developer Note Payment and Other TIF Costs																			
e) Cumulative Amount Available for Developer Note/Other TIF Costs																			
f) Annual NPV Calculations At Discount Rate of:																			
TOTAL TIF LIFE CUMULATIVE:																			
ANNUAL NPV CUMULATIVE NPV:																			

** Assessor's effective market value for residential is derived based on an assumption that average effective assessment rate will be about 10.24% of Actual Market Value Based analysis of 2005 Assessed Values for the 400 Village Circle condos, and based on comparable retail sales taxes of \$6 per square foot.

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VALUES PRESENTED ARE ESTIMATES ONLY AND ARE SUBJECT TO REVISIONS BASED UPON CHANGES IN UNDERLYING ASSUMPTIONS

(REDUCED SCHOOL PAYMENT SCENARIO- NOT FOR BOND ANALYSIS)

GAMMONLEY-103 RESIDENTIAL UNITS
(REDUCED SCHOOL PAYMENT SCENARIO-NOT FOR BOND ANALYSIS)
 Village of Willow Springs- Town Center TIF
 Gammonley Project
 Preliminary Tax Pro Forma

Annual Growth Rate of 3% Applied At Triennial After Full Absorption,
 Triennial Years in Bold.

Component Name	Class Code	Sq. Ft./ # Units	Est. Available Mill Value	TIF Life:					Yr. 11	
				2012	2013	2014	2015	2016		2017
Residential Units	4	103	180,770.80	7,837,376	7,837,376	7,837,376	8,354,112	8,564,112	8,564,112	9,358,235
Common Use	3	10,450	70.67	1,173,649	1,173,649	1,173,649	1,282,478	1,282,478	1,282,478	1,401,398
Total EAV All Components		103	5,000.00	(515,000)						
I. Property Taxes				8,496,024	8,496,024	8,496,024	9,331,690	9,331,690	9,331,690	10,244,634
a) Assigned Base EAV				520,159	520,159	520,159	520,159	520,159	520,159	520,159
b) Incremental EAV				7,975,865	7,975,865	7,975,865	8,811,430	8,811,430	8,811,430	9,724,475
c) Assume 2004 Tax Rate = 0.7090%				9,799,0%	9,799,0%	9,799,0%	9,799,0%	9,799,0%	9,799,0%	9,799,0%
d) Incremental Property Taxes				781,555	781,555	781,555	863,432	863,432	863,432	952,991
e) Cumulative Incremental Property Taxes				3,702,469	4,484,024	5,265,579	6,210,968	7,074,320	7,927,221	8,879,722
II. Total Revenue/Debt Service Coverages				1,448,222	1,448,222	1,448,222	1,530	1,530	1,530	1,601
a) Pledged Incremental Taxes				781,555	781,555	781,555	863,432	863,432	863,432	952,991
b) Less: School District's Lien Amount (Based on 6.2% of Historical Ratio on Estimated LIF Incremental Revenue)				(20,374)	(20,374)	(20,374)	(22,203)	(22,203)	(22,203)	(24,222)
c) Total Revenue Available for Debt Service/ Developer Note Payment				761,181	761,181	761,181	841,169	841,169	841,169	928,774
d) Estimated Annual Debt Service Payment on Bond Issue				552,959	552,959	552,959	560,375	560,375	560,375	554,308
III. Debt and Other Obligations				1,45	1,45	1,45	1,50	1,50	1,51	1,60
a) Total Revenue Available for Debt Service/ Developer Note Payment				761,181	761,181	761,181	841,169	841,169	841,169	928,774
b) Less: Estimated Debt Service on Potential \$5,000,000 Bond Issue				(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
c) Less: Proposed Village Administrative Program Fund				210,200	210,200	210,200	210,200	210,200	210,200	210,200
d) Estimated Revenue Available for Developer Note Payment and Other TIF Costs				1,447,123	1,447,123	1,447,123	1,530,169	1,530,169	1,530,169	1,601,174
e) Cumulative Amount Available for Developer Note/Other TIF Costs				1,087,205	1,197,305	1,307,405	1,417,505	1,527,605	1,637,705	1,747,805
f) Annual NPV Calculations At Discount Rate of:				5,149,085	5,149,085	5,149,085	5,149,085	5,149,085	5,149,085	5,149,085
CUMULATIVE NPV:				2,319,453						

** Assessor's effective market value for residential is derived based on assumption that average effective assessment rate will be about 10.24% of Actual Market Value. Based analysis of 2005 Assessed Value for 400 Village Creek condos and based on comparable retail sales based on \$0 per square foot.

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VALUES PRESENTED ARE ESTIMATES ONLY AND ARE SUBJECT TO REVISIONS BASED UPON CHANGES IN UNDERLYING ASSUMPTIONS

(REDUCED SCHOOL PAYMENT SCENARIO - NOT FOR BOND ANALYSIS)

GAMMONLEY- 103 RESIDENTIAL UNITS
(REDUCED SCHOOL PAYMENT SCENARIO - NOT FOR BOND ANALYSIS)
 Village of Willow Springs- Town Center TIF
 Gammonley Project
 Preliminary Tax Pro Form

Annual Growth Rate of 3% Applied At Triennial After Full Absorption.
 Terminal Years In Bold.

Component Name	Project Description	Class Code	Sq. Ft./R Units	Est. Assessor's Mkt. Value \$8. Fl/Unit**	TIF Life:					
					2018	2019	2020	2021	2022	2023
I. Property Taxes	Residential Units Retail Less: Homestead Exemption (\$5,000/anno) 5,000.00	4	103	180,770.80	9,350,236	9,450,126	9,550,016	9,649,906	9,749,796	9,849,686
					1,401,398	1,471,288	1,541,178	1,611,068	1,680,958	1,750,848
Total EAV All Components					10,751,634	10,921,414	11,091,194	11,260,974	11,430,754	11,600,534
II. Total Revenues/Debt Service Coverages										
a) Assigned Base EAV					30,179	30,179	30,179	30,179	30,179	30,179
b) Incremental EAV					9,724,475	9,724,475	9,724,475	9,724,475	9,724,475	9,724,475
c) Assessor 2001 Tax Rate x 0.7990%					0.7990%	0.7990%	0.7990%	0.7990%	0.7990%	0.7990%
d) Incremental Property Taxes					952,901	952,901	952,901	952,901	952,901	952,901
e) Cumulative Incremental Property Taxes					8,010,122	9,931,024	10,903,691	11,876,357	12,849,024	13,821,691
TOTAL TIF LIFE CUMULATIVE:					8,010,122	9,931,024	10,903,691	11,876,357	12,849,024	13,821,691
III. Debt and Other Obligations										
a) Pledged Incremental Taxes					952,901	952,901	952,901	952,901	952,901	952,901
b) Less: School Districts' Lien Amount (Based on 6.2% of Historical Ratio on Eastside TIF Incremental Revenues)					(24,322)	(24,322)	(24,322)	(24,322)	(24,322)	(24,322)
c) Total Revenues Available for Debt Service/ Developer Note Payment					928,579	928,579	928,579	928,579	928,579	928,579
d) Estimated Annual Debt Service Payment on Bond Issue					928,574	928,574	928,574	928,574	928,574	928,574
e) Estimated Debt Service Coverages					500,075	500,075	500,075	500,075	500,075	500,075
f) Debt and Other Obligations					1.58	1.00	1.00	1.00	1.00	1.00
IV. Total Revenues Available for Debt Service/ Developer Note Payment and Other TIF Costs:										
a) Total Revenues Available for Debt Service/ Developer Note Payment					928,574	928,574	928,574	928,574	928,574	928,574
b) Less: Estimated Debt Service on Potential \$5,000,000 Bond Issue					(500,075)	(500,075)	(500,075)	(500,075)	(500,075)	(500,075)
c) Less: Proposed Village Administrative Program Fund					(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
d) Estimated Revenues Available for Developer Note Payment and Other TIF Costs:					310,600	310,600	310,600	310,600	310,600	310,600
e) Cumulative Amount Available for Developer Note/Other TIF Costs					3,127,131	3,449,834	3,872,537	4,295,240	4,717,943	5,140,646
f) Annual NPV Calculations At Discount Rate of:					1,000,022	1,000,022	1,000,022	1,000,022	1,000,022	1,000,022
TOTAL TIF LIFE CUMULATIVE:					1,000,022	1,000,022	1,000,022	1,000,022	1,000,022	1,000,022
CUMULATIVE NPV:					2,132,632	2,132,632	2,132,632	2,132,632	2,132,632	2,132,632

** Assessor's effective market value for residential is derived based on assumption that average effective assessment rate will be about 19.24% of Actual Market Value Based analysis of 2005 Assessed Val. allows for the 400 Village Cudo condos, and based on comparable retail sales taxes of \$8 per square foot.

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VALUES PRESENTED ARE ESTIMATES ONLY AND ARE SUBJECT TO REVISIONS BASED UPON CHANGES IN UNDERLYING ASSUMPTIONS

(REDUCED SCHOOL PAYMENT SCENARIO - NOT FOR BOND ANALYSIS)

GAMMONLEY- 103 RESIDENTIAL UNITS
 (REDUCED SCHOOL PAYMENT SCENARIO - NOT FOR BOND ANALYSIS)
 Village of Willow Springs- Town Center TIF
 Gammonley Project
 Preliminary Tax Pro Forme

Annual Growth Rate of 3% Applied All Trifennial After Full Absorption.
 Trifennial Years in Bold.

Component Name	Project Description	Class Code	Sq. Ft. # Units	Est. Assessor's Mkt Value \$	TIF Life:						
					2018	2019	2020	2021	2022	2023	
Res. Use Commercial Use	Residential Units Retail	4	103	100,770.00	9,350,238	9,350,238	10,225,990	10,225,990	10,225,990	10,225,990	11,174,224
		3	18,458	70.67	1,401,358	1,401,358	1,531,345	1,531,345	1,531,345	1,531,345	1,673,343
Less: Homesteaders Exemption (\$5,000/home)				5,000.00							
Total EAV All Components					10,751,596	10,751,596	11,757,335	11,757,335	11,757,335	11,757,335	12,847,567
Property Taxes					10,214,034	10,214,034	11,242,343	11,242,343	11,242,343	11,242,343	12,332,666
a) Assigned Base EAV					520,159	520,159	520,159	520,159	520,159	520,159	520,159
b) Incremental EAV					9,724,475	9,724,475	10,722,184	10,722,184	10,722,184	10,722,184	11,812,407
c) Assumed 2004 Tax Rate = 9.7990%					9,7990%	9,7990%	9,7990%	9,7990%	9,7990%	9,7990%	9,7990%
d) Incremental Property Taxes					952,001	952,001	1,050,607	1,050,607	1,050,607	1,050,607	1,157,400
e) Cumulative Incremental Property Taxes					8,908,122	9,931,024	10,983,691	12,034,357	13,085,024	14,135,691	15,186,357
Total Revenues/Debt Service Coverages					1,537,522	1,537,522	1,764,642	1,764,642	1,764,642	1,764,642	1,951,222
a) Pledged Incremental Taxes					952,001	952,001	1,050,607	1,050,607	1,050,607	1,050,607	1,157,400
b) Less: School Districts' Lien Amount (Based on 6.2% of Historical Ratio on Existing TIF Incremental Revenues)					(21,327)	(21,327)	(26,683)	(26,683)	(26,683)	(26,683)	(32,959)
c) Total Revenues Available for Debt Service/ Developer Note Payment					928,574	928,574	1,024,024	1,024,024	1,024,024	1,024,024	1,124,441
d) Estimated Annual Debt Service Payment on Bond Issue					580,875	580,875	610,575	610,575	610,575	610,575	651,725
e) Estimated Debt Service Coverages					347,699	347,699	413,449	413,449	413,449	413,449	472,716
f) Debt and Other Obligations					1,537,522	1,537,522	1,764,642	1,764,642	1,764,642	1,764,642	1,951,222
a) Total Revenues Available for Debt Service/ Developer Note Payment					928,574	928,574	1,024,024	1,024,024	1,024,024	1,024,024	1,124,441
b) Loss: Estimated Debt Service on Potential \$5,000,000 Bond Issue					(580,875)	(580,875)	(610,575)	(610,575)	(610,575)	(610,575)	(651,725)
c) Loss: Proposed Village Administrative Program Fund					(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
d) Estimated Revenues Available for Developer Note Payment and Other TIF Costs					328,599	328,599	408,509	408,509	408,509	408,509	452,716
e) Cumulative Amount Available for Developer Note/Other TIF Costs					3,127,135	3,449,934	3,970,343	4,254,776	4,647,360	5,149,085	5,749,800
f) Annual NPV Calculations At Discount Rate of:				3.25%	1,800,022	1,806,101	2,000,652	2,132,632	2,227,953	2,339,450	2,469,150
TOTAL TIF LIFE CUMULATIVE:					5,149,085	5,149,085	5,749,800	5,749,800	5,749,800	5,749,800	6,400,000
TOTAL TIF LIFE CUMULATIVE NPV:					2,339,450						

** Assessor's effective market value for residential is derived based on assumption that average effective assessment rate will be about 10.24% of Actual Market Value Used analysis of 2005 Assessed Value (per the 100 Village Code codes) and based on comparable retail sales taxes of \$9 per square foot.