
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: MATT ANASTASIA, FINANCE DIRECTOR
SUBJECT: DISCUSSION: I-88 & IL-47 TIF REDEVELOPMENT AGREEMENT – SUGAR GROVE LLC.
AGENDA: AUGUST 20, 2024 REGULAR BOARD MEETING
DATE: AUGUST 9, 2024

ISSUE

The Village Board to discuss entering into a TIF Redevelopment Agreement (RDA) with Sugar Grove LLC. for their property at I-88 and IL-47.

DISCUSSION

Proposed Redevelopment Agreement with Sugar Grove LLC.

Sugar Grove LLC., as a part of the entire development of the property at I-88 and IL-47, as requested a Redevelopment Agreement (RDA) with the Village of Sugar Grove for reimbursement of TIF Eligible Costs associated with the Project. Sugar Grove LLC. is requesting a Redevelopment Agreement in the amount of \$109,213,421 for TIF eligible expenses paid with incremental taxes, if no incremental taxes are available, they are requesting a Developer Note with a taxable interest rate of 8% and a tax-exempt interest rate of 6.8%. The requested TIF eligible expenses for reimbursement are broken down in the RDA in Exhibit D as follows:

Development Costs (1)	Developer Cost Assumption
TIF Formation Costs	\$200,000
Mass Earthwork and Drainage Improvements	\$26,202,388
Community Parks, Paths, Enhanced Landscaping/Hardscaping	\$8,680,000
Merrill Road Improvements	\$1,234,233
Denny Road Improvements	\$8,049,548
IL-47 Improvements	\$16,059,542
Seavey Road Improvements	\$11,961,322
Town Center Roads and Utilities	\$2,066,954
Water System Improvements – Distribution Mains	\$11,067,049
Water System Improvements – 750,000 Gallon Tank	\$5,976,880
Water System Improvements – PRV/BP	\$1,719,955

Sanitary Sewer – Collection	\$1,775,988
Subtotal TIF Budget Costs	\$94,944,279
Project Contingency (2)	\$14,219,142
Total Estimated TIF Eligible Costs	\$109,213,421

(1) Costs reflect Developer Budget. Costs shown as incurred and therefore account for inflation over time. Costs will need to be certified by the Village before they can be reimbursed.

(2) Contingency line items can only be reimbursed if it is spent on TIF eligible costs.

The Redevelopment Agreement would pledge incremental taxes produced by the Development, above the base taxes, for reimbursement back to the Developer. Incremental taxes are only provided when property taxes are paid on the properties. No Village General Obligation taxes or funds are used to provide any reimbursement for this Agreement. Reimbursement is made to the Developer solely based on production and success of the project.

Throughout the process of this project and development of the proposed RDA for Board consideration, Staff identified several items of concern and highlights, each will be addressed as we go through the Articles.

The entire Subject Property has been divided into five (5) development areas – Exhibit C of the proposed RDA.

- **Area 1** – Residential
- **Area 2** – Residential
- **Area 3A and 3B** – Commercial, Residential, Retail Office and Civic
- **Area 4** – Business, Industrial, Data Center and Commercial
- **Area 5** – Commercial, Retail, Office and Residential

Article II – Development Specifications and Understandings Covering All Development Areas

- This Article covers all the requirements from the Planned Development District (PDD) and Annexation Agreement (AA) that the Developer is required to complete within all development areas of the project. This language in the RDA is copied from those other agreements, which link those requirements to the financial obligations of the Redevelopment Agreement.
- These items, being in the RDA, hold the Developer to specific items and standards to receive any incremental taxes or developer notes for work completed.

Article III – Specific Understandings for Specific Development Areas

- This Article covers all the requirements for specific Development Areas, like Article II, but additional requirements by the Developer for each Area.
- Additional Requirements for Area 3 (3A/3B) – Commercial, Residential, Retail Office and Civic:

- Upon receiving 70th Certificate of Occupancy in Area 3 the Developer agrees to make the following improvements to the Village Green which are substantially similar to the rendering in Exhibit E of the RDA – Outdoor stage, multi-use lawn and open space, concrete perimeter sidewalks or trails, soft surface interior walkways, passive garden landscape areas and a food truck parking area.
- Upon receiving 200th Certificate of Occupancy for residential dwellings in Area 2, the Developer agrees to make the following improvements to the Village Green which are substantially similar to the rendering in Exhibit E of the RDA – Area designated for farmer's market, playground, splash pad, picnic tables or other types of seating, six pickleball courts, fishing dock, shade shelter, one or more outdoor firepits, and one building containing two single stall ADA compliant washrooms with an external drinking fountain/bottle filler.
- There are no specs for the improvements required in Area 3 within the Redevelopment Agreement. However, the improvements required to be made must be similar to **Exhibit E** within the Redevelopment Agreement, if not, alternative designs or improvements to the Village Green may be administratively approved.
- Additional Requirements for Area 4 – Business, Industrial, Data Center and Commercial:
 - Large Marquee Sign adjacent to I-88 Right of Way with a primary purpose of promoting commercial uses. The sign shall be completed prior to the issuance of the first commercial occupancy permit in Area 3. The marquee sign will be substantially similar to the sign rendering in the Annexation Agreement.
- Additional Requirements for Area 5 – Commercial, Retail, Office and Residential:
 - The Developer will dedicate a 1-acre site accessible from Seavey Rd. west of IL-47 for the purpose of constructing a Village Truck Scale location and contribute \$125,000 to the Village for the purpose of constructing a truck scale.

Article IV – Developer Obligations

- Developer Water Obligations:
 - Design, Installation and permitting of 750,000-gallon water storage tank and a combination Boost Pump Station and Pressure Reducing Valve.
 - This states the Owner is not responsible for extending watermain distribution lines to the Property boundary, of adjacent properties to the Subject Property. **This was one hurdle Staff faced with the proposal as this is customary to do on all Village projects. The Owner proposed to provide an easement to the Village for future extension of the distribution lines to the Property boundary at no cost to the Village or adjacent property owner.**
- Developer Sewer Obligations:
 - Designing, Permitting and constructing all Village owned and maintained sanitary sewers, defined sanitary sewers less than 15' in diameter.
 - This states the Owner is not responsible for extending sanitary sewer collection lines to the Property boundary, of adjacent properties to the Subject Property. **This was one hurdle Staff faced with the proposal as this is customary to do on all Village projects. The Owner proposed to provide an easement to the Village**

for future extension of the distribution lines to the Property boundary at no cost to the Village or adjacent property owner.

- Developer Water Treatment Plant Site Obligations:
 - Owner would dedicate a site to the Village not less than 2-acres for the Village Water System improvements. Providing a temporary access easement upon the earlier of 1) when Village requests such dedication or 2) Final Plat of Subdivision for that phase of the development.
- Developer Installation of Utilities Obligations:
 - Water main looping is required through Area 1, Area 2 and Area 3. Area 4 and Area 5 will be served via single course watermain.
 - Overhead powerlines at the Seavey Rd. Entrance and lead up, as well as the overhead powerlines along IL-47 along area 3 going north toward I-88 would be buried underground.
- **Recommendation: Add into the Redevelopment Agreement from Exhibit E of the RDA the Owner will donate no less than 2-acres of land to the Village within Area 3a for a possible future Village Hall or Community Building site as depicted.**

Article V – Village Obligations

- Tax Increment collected into the Special Tax Allocation Fund (STAF) would have a distribution of the following and in this order:
 1. Amounts due to School and Library Districts having jurisdiction over the Development Areas pursuant to the TIF Act.
 2. Any third-party costs to administer the STAF and any reimbursement of the Village staff time related to administering the STAF, provided hour logs are kept.
 3. Any mutually agreed upon reimbursement of a government body or agency of a capital cost reimbursable pursuant to the TIF Act.
 4. 10% of the remaining tax increment is deposited into the Village's TIF Subaccount.
 5. The remaining 90% deposited into The Grove subaccount available for disbursements to the Developer in accordance with the procedures of the RDA.
- As so long there is no notice of Default of anything in the RDA, a requested amount for the Village to reimburse of TIF Eligible Costs of \$109,213,421 from funds in The Grove account, if available, if not available, the issuance of a Developer Note not to exceed 20 years with an interest rate of 6.8% if the interest is tax-exempt or if the interest is taxable a Note at 8%. Sugar Grove LLC. requested a tax-exempt rate of 6.8% based on their internal calculations. **Staff has no concerns over the 6.8% tax-exempt rate.**

Interest paid and accrued was and is a huge concern for Staff throughout this process. Tax-Exempt status is determined by Bond Counsel based on the improvements and reimbursement request within the Notes. Sugar Grove LLC. requested 8% interest for taxable notes and 6.8% tax-exempt is based on internal calculations. The Village negotiated to have the ability for Tax-Exempt Notes. In determining the tax-exempt interest rate, Staff inquired with our Bond Advisors, Speer Financial, as well as

Corporate Tax Accountants from our Auditing Firm, Lauterbach & Amen. There were multiple ways to estimate the tax-exempt rate:

1. Reviewing the spread between the Municipal Market Data (MMD) Yields and the Treasury Yield. The current spread between these two yields is 1.04%. This would result in a tax-exempt rate roughly around 6.96%.
 2. Reviewing the spread between recent TIF Bond and TIF Note issuances coupon rate in Illinois and the Municipal Market Data (MMD) Yield. The current spread average of these is roughly 3.5%. Using the MMD as of 07/31/24 and the spread, it would result in an estimated tax-exempt rate of 6.90%
 3. Calculating the estimated corporate tax savings to the Developer, utilizing the flat rate of 21% in 2024, the estimated tax-exempt rate is around 6.32%.
- TIF Notes will be issued for 20 years or no longer than the life of the TIF. Notes that have outstanding balances at the end of the TIF are not an obligation to the Village.
 - Request for Reimbursement:
 1. Developers cannot submit a request for Reimbursement more than 2 times annually and not less than \$1,000,000 – Exhibit H – Request for Reimbursement Form to be provided with all paid invoices and final liens of waivers.
 2. Mass Grading will be apportioned over the project by a percentage of each phase based on the mass grading for the Final Plat of Subdivision, when submitted. i.e. Developer submits a Final Plat of Subdivision for 40 acres, and total mass grading was 400 acres in total. The Developer would only be eligible for reimbursement for 10% of the total mass grading costs for that reimbursement (40 acres / 400 total acres = 10%).
 3. Approved by the Village's engineer that the portion of infrastructure requested has been constructed in accordance with this agreement and meets the Substantial Completion criteria set forth in the AA. **Interest paid and accrued was and is a huge concern for Staff throughout this process. This was negotiated through Staff to add the Substantial Completion language. This does not allow any notes to be issued until the infrastructure reimbursement request meets those criteria as set forth in the definition of Substantial Completion in the Annexation Agreement.**
 4. Certification of eligibility of each cost is provided by SB Friedman or consultant mutually agreed upon.
 5. No Request for Reimbursement for any portion of the infrastructure project south of I-88 shall be accepted until certificates of occupancy of one hundred (100) residential home constructed south of I-88 have been issued. **Interest paid and accrued was and is a huge concern for Staff throughout this process. This was negotiated with Staff as another way to control the amount of interest accruing and paid to the Developer.**
 - Anytime throughout the agreement, at the sole discretion of the Village, bonds could be issued to pay down outstanding notes with proceeds towards Principal first, then Interest. The reason to have this ability is if we can get said Bond at a lower interest rate than we are paying the Developer, this reduces the amount of interest paid overall.

Interest paid and accrued was and is a huge concern for Staff throughout this process. This is another way to control interest and pay off the Developer faster.

Article IX – Assignment

- This Article allows the Developer to assign a grantee any and all the rights of the RDA to another Developer if a portion of the Subject Property were sold. At that time, the Developer shall have no further rights or obligations under the Agreement as it relates to that portion of the Subject Property. Notice must be given within 10 business days of any assignment; no notice is required if any portion of the Subject Property is sold to a third party and no assignment or assumption of the Agreement are part of the sale.

Financial Analysis of Project and Proposed Redevelopment Agreement

SB Friedman was hired by the Village to work on the Village's behalf to analyze the project, financials and returns of the Project. Their memo is attached for review. Based on the land use types proposed within the Subject Property, it is estimated over the life of the TIF it will produce estimated Gross TIF Proceeds of \$481.3 million. The max required School District payments are calculated at \$95.9 million, Library District payments of \$7.7 million, and the Village's 10% portion of \$37.8 million – this leaves a remaining \$340.0 million of tax increment within the TIF for other TIF eligible expenses within the TIF, surplus back to Taxing Districts, or the proposed Redevelopment Agreement with Sugar Grove LLC.

Analysis by SB Friedman of Sugar Grove LLC. proforma concluded that without TIF assistance Sugar Grove LLC. would have a negative IRR as revenues do not exceed expected Project costs. With the requested TIF assistance as presented in the proposed RDA, the project would produce an IRR for Sugar Grove LLC. of 9.54%.

The recommendation after analysis by SB Friedman is to provide TIF Assistance on a pay-as-you-go basis. Providing up-front assistance – such as general obligation (GO) bonds - results in the lowest cost of funds to the Village, this structure results in the greatest risk to the Village and is not the proposed method of assistance.

Attachments:

- Proposed Redevelopment Agreement with Exhibits
- SB Friedman – The Grove- Preliminary Project Financial Review Memo

COST

There is no cost to discuss the proposed Redevelopment Agreement with Sugar Grove LLC.

RECOMMENDATION

That the Village Board discuss the proposed TIF Redevelopment Agreement with Sugar Grove LLC. and provide feedback to Staff and the Developer.

**DEVELOPMENT AGREEMENT BY AND BETWEEN
THE VILLAGE OF SUGAR GROVE, KANE COUNTY,
ILLINOIS AND SUGAR GROVE LLC**

THIS DEVELOPMENT AGREEMENT (the “*Agreement*”) is entered into as of the ____ day of _____, 2024 (the “*Commencement Date*”) by and between the Village of Sugar Grove, Kane County, Illinois, a non-home rule municipality of the State of Illinois (the “*Village*”) and Sugar Grove LLC, an Illinois limited liability company (the “*Developer*”).

In consideration of the mutual covenants and agreements set forth in this Agreement, the Village and the Developer agree as follows:

**ARTICLE I
RECITALS**

- 1.1 Village Goals. The Village has as one of its major goals the annexation and development of land adjacent to its boundaries in order to expand its tax base; provide additional housing opportunities for new and current Village residents; stimulate commercial activities and growth; and, provide job opportunities for its residents (collectively “*Village Goals*”). To achieve the Village Goals, the Village has annexed approximately 760 acres located on the north side of the Village consisting of forty-one (41) tax parcels roughly bounded by IL-47 and I-88 to the west, I-88 to the East, Merrill Road to the south and Green Road to the North, all as legally described on Exhibit A and as depicted on Exhibit B, both being attached hereto (the “*Subject Property*”).
- 1.2 Tax Increment Financing. Pursuant to the laws of the State of Illinois and in particular to the Tax Increment Allocation Redevelopment Act of Illinois (65 ILCS 5/11-74.1-1 et. seq.) as from time to time amended (the “*TIF Act*”), the President and Board of Trustees of the Village (the “*Corporate Authorities*”) are empowered to undertake the development and redevelopment of a designated area within its municipal boundaries in which existing conditions may be classified as a “blighted area” or a “conservation area” as such items are defined in the TIF Act.
- 1.3 Adoption of the TIF Act. To stimulate and induce the development of the Subject Property, the Village, after giving all required notices, conducting a public hearing and making all of the findings required by law, on the ____ day of _____, 2024, pursuant to Ordinance Nos. _____, _____, and _____, approved a Tax Increment Financing District Eligibility Report and a Redevelopment Plan and Project (the “*Redevelopment Plan*”) for an area designated as I-88 and IL-47 Redevelopment Project Area (the “*Project Area*”), which Project Area includes the Subject Property, and adopted tax increment financing for the payments and financing of “redevelopment project costs” as authorized by the TIF Act.
- 1.4 Developer’s Proposal. The Developer has submitted a proposal to develop the Subject Property, which proposal contemplates the division of the Subject Property into five (5) development areas as depicted on Exhibit C attached hereto (the “*Development Areas*”):

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

Area 1 – Residential (“Area 1”),
Area 2 – Residential (“Area 2”);
Area 3A and 3B – Commercial, Residential, Retail Office and Civic (“Area 3A and 3B”);
Area 4 – Business, Industrial, Data Center and Commercial (“Area 4”);
Area 5 – Commercial, Retail, Office and Residential (“Area 5”);

- 1.5 Rezoning of the Subject Property. In accordance with all applicable requirements as set forth in Title II, Chapter 16 of the Sugar Grove Village Code (the “Village Code”), the Developer submitted an application to rezone the Subject Property into a Planned Development District which application was approved by the Corporate Authorities on _____, 2024, after review by the Planning Commission/ Zoning Board of Appeals (the “PC/ZBA”), the holding a public hearing, and providing its recommendations to the Corporate Authorities to approve the rezoning with such modifications to the Village Code as set forth in the Regulating Plan as attached as Exhibit K to the Annexation Agreement dated _____, 2024 by and between the Village and the Developer (the “Annexation Agreement”) and the Planned Development District Ordinance (the “PDD”).
- 1.6 Request for Financial Assistance. In order to proceed with the development of the Development Areas, the Developer has advised the Village that it will require financial assistance from the Village to the extent authorized by the TIF Act due to the extraordinary costs to be incurred to develop the Subject Property and undertake the grading and site preparation and construct all of the necessary infrastructure and other public improvements to serve each of the Development Areas.
- 1.7 Review of Request. The Corporate Authorities, upon receipt of the Developer’s request, directed the Village Administrator, the Village Finance Director and such consultants to the Village as necessary to investigate the Developer’s request in order to ascertain:
 - (a) if the itemization of costs to perform the grading and site preparation and construct the infrastructure for each of the Development Areas, including soft costs, as attached hereto as Exhibit D, estimated to cost \$109,213,421 (the “Project Budget”) includes all of the necessary components including but not limited to, grading and site preparation of the Subject Property, roadways, water and sewer service, water storage, stormwater management, booster pump/pressure reducing station and all other public utilities, including soft costs, the total construction of which collectively constitute the “Project”.
 - (b) which of the items of the Project Budget constitute “Redevelopment Project Costs” as defined by the TIF Act, eligible for reimbursement from “Incremental Taxes”, as such terms are hereinafter defined; and
 - (c) projections of Incremental Taxes estimated to be generated the Development Areas to reimburse Developer for eligible Redevelopment Project Costs.

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

- 1.8 Project to Receive Financial Assistance. Upon review and analysis of the foregoing and the goals and objectives of the Redevelopment Plan, the Corporate Authorities have concluded that the development of the Development Areas, as proposed, meets the objectives of the Redevelopment Plan and the Village Goals and therefore is prepared to provide the financial assistance to construct the Project as requested by the Developer, subject to the terms and conditions hereinafter set forth.
- 1.9 Redevelopment Project Costs; Incremental Taxes. For purposes of this Agreement, Redevelopment Project Costs shall mean and include all costs and expenses defined as “redevelopment project costs” in *Section 11-74.4-3(q)* of the TIF Act. Incremental Taxes shall mean the amount of ad valorem taxes, if any, paid to the Village’s Special Tax Allocation Fund for the Project Area resulting from the increase in the equalized assessed value of all parcels within the Project Area over the base equalized assessed value of the Project Area as certified by Kane County.

ARTICLE II DEVELOPMENT SPECIFICATIONS AND UNDERSTANDINGS COVERING ALL DEVELOPMENT SITES

2.1 Planned Development District Regulating Plan.

The Planned Development District Regulating Plan (the “PDD”) establishes Permitted Uses, Permitted Accessory Uses, Special Uses, Site Development Requirements and Bulk Regulations for the Subject Property. Upon the adoption of the Planned Development District Ordinance the described uses, requirements and regulations set out in the Regulating Plan shall be the only such restrictions applicable to the Subject Property except where otherwise provided for in the Annexation Agreement.

2.2 Initial Subdivision.

As provided in Section 6.1 of the Annexation Agreement, a final plat (the “Initial Plat”) has been reviewed and approved by the PC/ZBA. Provided that no development take place on any lot platted within the Initial Plat until the Subject Property in question has been resubdivided in accordance with the Village Subdivision Ordinance as modified by the Annexation Agreement, the Village will approve the Initial Plat. Notwithstanding any provision of the Village Ordinances and specifically the Village Subdivision Ordinance to the contrary, no other submissions shall be required prior to recording the Initial Plat and the Initial Plat shall not be subject to the Village Subdivision Ordinance unless specifically required by the terms of this Agreement.

2.3 Submittal of Plans.

Plan Submissions shall be in accordance with the Annexation Agreement as outlined in section 5.1, 5.2 and 5.3 which states:

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

“5.1 Plan Submissions

The Corporate Authorities acknowledge that they have reviewed all supporting documentation they deemed necessary and hereby approve the Regulating Plan for the Property and that no other concept plan nor preliminary plan (a “Preliminary Plan”) need be submitted by the Owner unless Owner chooses to do so (Owner reserves the right to forgo submission of a Preliminary Plan and submit just a Final Plan or Final Plat to the Village for approval). The Village shall approve any Preliminary Plan and any Final Plan that is consistent with the Regulating Plan, the Village Subdivision Ordinance (as hereafter defined) as modified by this Agreement and this Agreement. The Village’s approval of this Agreement is meant to assure the Owner that consistent Preliminary Plans and Final Plans will be approved by the Corporate Authorities, provided these plans substantially conform to the Concept Plan, the Regulating Plan, the Subdivision Ordinance as modified by this Agreement and the Planned Development District Ordinance as modified by this Agreement and any non-conflicting ordinances of the Village. Notwithstanding any provisions of Chapter 16, to the contrary, Owner may submit Preliminary and Final Plans to the Village in the normal course of development and at such times as determined by the Owner in its sole discretion, the intent of this provision being to ensure that there be no deadline or minimum time in which to submit Preliminary or Final plans to the Village. If Owner elects to forgo Preliminary Plan submission, then Owner shall be required to attend a Pre-Application meeting with the Village, no less than 30 days prior to Final Plan submittal. The purpose of the Pre-application meetings is for Owner to demonstrate that a plan meets the requirements of this Agreement and the Regulating Plan for utility connections, roadway connectivity, land use and setbacks. The Planned Development District Ordinance and the Regulating Plan incorporate deviations, departures, concepts, design criteria, and material specifications which may vary from the Village Zoning Regulations, the Village Subdivision Ordinance or any other Village ordinance now in effect. It is the intent of the Corporate Authorities that to the extent that the Regulating Plan, Planned Development District Ordinance, or this Agreement vary from or conflict with any Village ordinance, or Village Ordinance adopted during the term of this Agreement, the Regulating Plan, Planned Development District Ordinance and this Agreement shall control. Any changes to State or Federal laws, after adoption of this agreement, impacting the property are excluded from this restriction. By approving this Agreement, the Planned Development District Ordinance and the Regulating Plan, the Village is agreeing to take all actions, including the approval of such departures from the provisions of the Village Zoning Regulations, the Village Subdivision Ordinance, and other regulations and ordinances of the Village necessary to allow the Property to be developed in accordance with this Agreement, the Planned Development District Ordinance and the Regulating Plan.

5.2 Phasing and Timing of Plans

For Residential uses, Preliminary Plans and Final Plans may be submitted in multiple phases, so long as each phase contains no fewer than twenty (20) residential units. For Non-

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

Residential uses, Preliminary Plans and Final Plans may be submitted in multiple phases. Owner shall have discretion with regard to the number of phases that may be under construction at any one time, the location of phases under construction, and the sequence in which phases shall be developed. The ability to receive approval of Preliminary Plans or Final Plans for the entire Property or any phase within the Property shall remain in effect for the term of this Agreement. Except as provided above, no limitation shall be imposed upon Owner with respect to the number of phases as to which Preliminary Plans and Final Plans may be submitted at any time, the number of phases that may be under construction at any one time, the location of phases under construction, or the sequence in which phases shall be developed. The right to receive approval of Preliminary Plans or Final Plans for the entire Property or any phase within the Property shall not expire. This Section specifically supersedes Section 11-16-09 of the Village Zoning Regulation – “Requirements for Preliminary Plans,” and Section 11-16-10 of the Village Zoning Regulations – “Time Limitations for Submission of Final Plans,” the intent of the parties being that the provisions of this Section shall be the only regulation of when and how Preliminary and Final Plans need be submitted. Village specifically waives (i) any requirement that not less than forty (40) acres of the proposed planned development district (first preliminary plan) be submitted for approval within twelve (12) months after establishment of the Planned Development District, and (ii) any requirement that preliminary plans or final plans be submitted to the Village Board within a time certain, including any requirement that plans covering all of the Property be submitted no more than ten (10) years after establishment of the Planned Development District if a preliminary plan and no more than eleven (11) years after establishment of the Planned Development District.

5.3 Plan Approval

Following approval of the Planned Development District Ordinance, no further zoning approval or public hearings shall be required as a prerequisite to the issuance of building permits or the approval of a Final Plat of Subdivision, as long as the plans meet the requirements in the PDD Ordinance, this Agreement and Village Ordinances, where applicable. The Owner’s right to develop the Property in substantial conformance with the Planned Development District Ordinance and the Regulating Plan shall be, and is hereby, vested.”

2.4 Similar Use.

Similar Uses shall be in accordance with the Annexation Agreement as outlined in Section 4.4 which states:

“4.4 Interpretation

The parties acknowledge that every type of potential use cannot be addressed in this Agreement. Should a proposed use not be specifically described or assigned a classification under the Planned Development District Ordinance, the Regulating Plan or

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

the Village Zoning Regulations, the Owner may request that it be designated a “Similar Use.” Any request for a use to be classified a Similar Use shall be submitted to the Village Administrator who shall select a use within the Planned Development District Ordinance, the Regulating Plan or the Village Zoning Regulations which most closely approximates the proposed use using criteria such as the nature of the use, conformance with the purpose of the Area in which it is proposed, aesthetics, traffic characteristics, and potential nuisance effects (noise, vibration, dust, smoke, odor, glare, hours of operation). Once a Similar Use is determined, the proposed use shall comply with any conditions and review procedures that may apply to that use. If the Village Administrator determines that the proposed use is not a Similar Use, it shall be deemed a minor change according to the Village’s Zoning Ordinance.”

2.5 No Recapture. Notwithstanding any provision in any development or other agreement the Village may now be a party to or may in the future enter into, the Subject Property shall not be subject to any recapture obligation or obligation of accelerated payment.

2.6 Roadway Improvement.

Roadway Improvements shall be in accordance with the Annexation Agreement as outlined in Section 10 which states:

“10.1 Construction Access

Construction access to the Property shall be permitted off of Merrill Road, Seavey Road, and Future Denny Road. A site access permit from the Illinois Department of Transportation (“IDOT”) for access off of Route 47 shall not be a condition of a site development permit for any use, but will be a condition of occupancy permit for all non-residential land uses to the extent that an access permit from IDOT is needed to provide reasonable access to those uses. No permits shall be required from IDOT as a condition of building or occupancy permits for residential land uses in Area 1 and Area 2. Construction access points shall generally conform to **Exhibit N**.

10.2 Curb Cuts

Curb cuts and modifications to existing curbs along a Village maintained street or road shall be deemed permitted for non-residential uses and can be performed with mutual consent between Owner and Village.

10.3 Illinois Route 47

The Village agrees to cooperate with and support the Owner in its applications to IDOT for access permits. To the extent that the Village has jurisdiction, The Village agrees to review and issue approvals for improvements required to serve the property as determined by a traffic study prepared by a qualified traffic engineer selected by Owner.

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

10.4 Roadway Improvements

Exhibit H sets out the road improvements standards for the Property. To the extent there is a conflict between such standards and the standards established by the Village, **Exhibit H** shall apply. Owner may, at its election, install the surface course after binder placement provided that one (1) full winter season has passed since binder placement and subject to binder inspection prior to placement of surface course. Alternatively, Owner may, at its election, delay the installation of the surface course on any roadway within an area subject to a subdivision letter of credit until such time that 80% of occupancy permits within said area have been issued or 5 years after the 1st occupancy permit is issued, whichever occurs first. Notwithstanding the foregoing, upon completion of all other improvements within such area, the letter of credit held by the Village shall be reduced to secure only the surface course and any associated pavement markings and Owner may post an 18-month maintenance letter of credit for the completed improvements. Once the surface course is installed, the subdivision letter of credit shall be replaced with an 18-month maintenance letter of credit. The reduction and release of the letter of credit is subject to the process outlined in the Village code, except as otherwise provided herein.”

2.7 Amendments to Ordinances.

Amendments to Ordinances shall be in accordance with the Annexation Agreement Section 12.3, which states:

“12.3 Conflict with Village Ordinances.

Notwithstanding anything to the contrary herein contained or contained in any Village ordinance, it is understood that no amendment to any existing ordinance or code of the Village, nor any enactment of any new ordinance or code, shall result in Owner or the Property being materially restricted or prohibited, during the term of this Agreement, from developing the Property in substantial conformance with this Agreement, Planned Development District ordinance and the Regulating Plan. Nothing contained in this Section shall be deemed a limitation on the Village’s right to modify existing ordinances or adopt new ordinances of general applicability throughout the Village if such amendments or ordinances do not limit the rights of the Owner under this Agreement. Any amendments to existing ordinances or new ordinances adopted by the Village during the term of this Agreement that conflict with the provisions of this Agreement or limit or restrict the rights granted herein to Owner or increases the obligations over those contained herein shall not apply to the Property. If, in interpreting this Agreement or considering matters affecting the Property, a conflict arises or exists between Village ordinances and this Agreement, this Agreement and its exhibits shall control, and all such conflicting ordinances of the Village shall, insofar as they conflict with this Agreement and its exhibits and apply to the uses and operations of the Property which are provided for in this Agreement, be deemed of no force and effect. Any changes to State or Federal laws, after adoption of this agreement, impacting the property are excluded from this restriction.”

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

2.8 Open Space Requirements.

Open Space Requirements shall be in accordance with the Annexation Agreement Section 4.2.2, Section 4.2.3 and Section 11.5, which states:

"4.2.2 Open Space.

Notwithstanding any stricter provisions of Chapter 16 to the contrary, not less than Thirty percent (30%) of the Property shall be reserved and designated as open space, greenbelt, parks, buffers, easements, stormwater management, berms, and/or recreational facilities and no further review of such areas and no review or approval of any proposed conveyance of such areas will be required. Park and Open Space Contribution.

4.2.3 Park and Open Space Contributions

Exhibit J provides for a significant trail system and green space and therefore, notwithstanding any stricter provisions of Chapter 16 to the contrary, Owner shall be under no obligation to make any cash or land donations for park purposes provided that Owner delivers a combined total of no less than 10 acres of improved parks collectively within the Property. No individual park shall be less than 1 acre. The parks shall be developed in accordance with applicable Village ordinances as may be modified by this Agreement and turned over as provided for herein."

"11.5.1 30% Open Space Requirement.

At the time all construction is completed on the Property, the Property shall have a minimum of 30% open space. Buffer areas, berms, detention facilities, parks, riparian corridors, naturalized areas, and landscape easement areas shall all count towards meeting the 30% open space requirement. Easements across residential lots shall not count towards the open space requirement. Prior to completion of construction on the Property, the ratio of open space to total area may be more or less than 30%, the intent of the parties being that the open space requirement not be applied to phases or areas of the Property under Final Plans, but to the Property as a whole, when construction is complete. With the exception of trails as provided for below, no other enhancements to any environmental corridors or natural open space shall be required.

11.5.2. Park and Open Space Donations.

Excluding the Initial Plat, any platted park or open space shall be deeded to the Village if requested by the Village, but in no event shall the Village require such deeding until 5 years after the recording of the subject plat, however, the Village may elect to accept sooner if the Owner desires to transfer ownership before the 5 year timeframe lapses. If Owner offers a platted park or open space, including trails and other improvements, to the Village, and the Village declines to take ownership, the Owner may offer land to the Sugar Grove

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

Park District or deed the site to an owners' association if the Sugar Grove Park District declines. Park improvements shall be completed and established prior to deeding the land.

11.5.3 Trails.

A 10' wide trail system will be constructed in the locations generally depicted on **Exhibit J**. Proposed trail alignments and associated enhancements are conceptual in nature with the exact location of the trail system and enhancements to be determined by the Owner. The total combined linear footage of trails shall not be less than 90% of the total linear footage reflected on **Exhibit J**. Trails constructed north of the tributary to the Blackberry Creek and south of I-88 shall be crushed limestone or comparable material, and all other trails shall be asphalt."

ARTICLE III SPECIFIC UNDERSTANDINGS FOR SPECIFIC DEVELOPMENT AREAS

- 3.1 **Applicable Ordinances.** In order to permit flexibility in the design of the elements of each of the Development Areas, the Developer and the Village agree that the provisions of the Village Subdivision Ordinance shall apply to all development but only to the extent the ordinance does not conflict with the Annexation Agreement, it being understood that the Annexation Agreement shall take precedence over the Village Subdivision Ordinance. No other modifications to the Village Subdivision Ordinance shall apply to the Subject Property other than is specifically stated in the Annexation Agreement. Any changes to State or Federal laws, after adoption of this agreement, impacting the Subject Property are excluded from this restriction.
- 3.2 **All Residential Development.** Residential development shall conform to the requirements outlined in the PDD and the Annexation Agreement.
- 3.3 **Additional Requirements for Area 3.**
 - (a) Upon receipt of the 70th certificate of occupancy for townhomes in Area 3, the Developer covenants and agrees to make the following improvements to the Village Green that shall be substantially similar in character to the Village Green rendering attached hereto as **Exhibit E**:

Outdoor stage, multi-use lawn and open space, concrete perimeter sidewalks or trails, soft surface interior walkways, passive garden landscape areas, and a food truck parking area.
 - (b) Upon receipt of the 200th certificate of occupancy for residential dwellings in Area 2 the Developer covenants and agrees to make the following improvements to the Village Park that shall be substantially similar in character to the Village Park rendering attached hereto as **Exhibit E**:

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

Area designated for farmer's market, playground, splash pad, picnic tables or other types of seating, six pickleball courts, fishing dock, shade shelter, one or more outdoor firepits, and one building containing two single stall ADA compliant washrooms with an external drinking fountain/bottle filler.

Alternative designs or improvements for the Village Green and/or the Village Park may be administratively approved by the Village.

- 3.4 Area 4 Requirement. The Developer agrees to construct and maintain one (1) large marquee sign with a maximum height of 45' (the "Marquee Sign") located within the Subject Property and adjacent to the I-88 right-of-way in Area 4 for the primary purpose of promoting the commercial uses. The design of the Marquee Sign shall be substantially similar to the sign rendering provided in the Annexation Agreement. The Marquee Sign shall be completed prior to the issuance of the first commercial occupancy permit in Area 3. An extension of time for the completion of the Marquee Sign and any alternative design for the Marquee Sign design may be administratively approved by the Village.
- 3.5 Area 5 Requirement. Developer shall dedicate a 1-acre site accessible from Seavey Road approximately 1,200 feet West of IL-47 for purposes of a Village Truck Scale location and contribute up to a cap of \$125,000 to the village for purposes of constructing a truck scale. Developer contribution towards the truck scale shall qualify for TIF reimbursement. The dedication and contribution shall take place at such time as the Village has contracted to purchase the scale and the Final Plat of Subdivision for the portion of the Subject Property located west of Route 47, south of Seavey Road has been recorded.

ARTICLE IV DEVELOPER OBLIGATIONS

4.1 Water.

Water shall be provided in accordance with the Annexation Agreement Section 7.1 which states:

"The Village shall be responsible for supplying potable water sufficient to serve the Property as it develops, subject to Owner completion of onsite conveyance and storage improvements needed to serve the specific phase of development for which Owner is requesting potable water, the intent being that no development on the Property will be delayed because of delays in installations or upgrades to the Village's water system, including without limitation installation of additional water wells and treatment plants, as may be necessary. The Owner shall be responsible for the design, installation, and permitting of a 750,000-gallon water storage tank and a combination Booster Pump Station and Pressure Reducing Valve at the general locations shown on Exhibit G, and as approved by Village. Such improvements shall be installed as such time as mutually agreed upon by Owner and Village deems appropriate taking into consideration the development schedule for the Property. Except as provided herein, all watermains and appurtenances

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

needed to serve the Property shall be Owner's responsibility but in no event shall Owner be required to install water mains under pavement, except for crossings. Owner shall not be responsible for extending watermain distribution lines to the Property boundary. The Owner shall provide an easement to the Village to allow for future extension of the distribution lines to the Property boundary in commercially reasonable locations mutually agreed upon by the Owner and the Village at the earlier of when the Final Plat of Subdivision is recorded for the respective Property area, or a Final Plat of Subdivision is recorded for an adjacent property needing water service via Owner's property (excluding the Initial Plat)."

4.2 Sewer.

Sewer shall be provided in accordance with the Annexation Agreement Section 7.2 which states:

"Owner shall annex the Property to the Fox Metro Water Reclamation District ("FMWRD") which has represented that it has sufficient capacity to provide wastewater treatment and conveyance for the Property. The Village acknowledges and agrees that the Property needs 9 Population Equivalents per gross acre (9 PE/Ac.) in sewer capacity and treatment allocation out of the Sugar Grove Service Area in FMWRD to provide adequate sanitary sewer service to the Property. It is intended that FMWRD will provide sanitary sewer service to the Property subject to the terms of Owner's annexation to FMWRD and, where applicable, the Village agrees to execute all such applications, petitions and annexation agreements that may be required in order for the FMWRD to provide such service. Owner shall be responsible for designing, permitting, and constructing all Village owned and maintained sanitary sewers, defined as sanitary sewers that are less than 15" in diameter, where needed to provide sanitary sewer conveyance for the benefit of the Property. All Village owned and maintained sanitary sewers needed to serve the Property shall be Owner's responsibility but in no event shall Owner be required to install sanitary sewer pipes under pavement, except for crossings. Owner shall not be responsible for extending sanitary sewer collection lines to the Property boundary. Except as to the Initial Plat, the Owner shall provide an easement to the Village to allow for future extension of the collection lines to the Property boundary in commercially reasonable locations mutually agreed upon by the Owner and the Village at the earlier of when the Final Plat of Subdivision is recorded for the respective Property area, or a Final Plat of Subdivision is recorded for an adjacent property needing sanitary sewer service via Owner's property."

4.3 Water Treatment Plant Site.

A Water Treatment Plant Site shall be provided in accordance with the Annexation Agreement Section 7.4, which states:

"Owner agrees to dedicate to the Village a not less than 2- acre site for Village water system improvements. Owner shall provide a temporary access easement in the general location and configuration shown on Exhibit L upon the earlier of 1) when the Village requests such

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

dedication or 2) as part of the Final Plat of Subdivision (other than the Initial Plat) for that phase of development. The temporary access easement shall terminate when the Final Plat of Subdivision (other than the Initial Plat) for the underlying area is recorded. Owner shall use best efforts to maintain access to the water treatment plant site during construction. Exhibit L depicts the proposed location and configuration of the water treatment plant site and is conceptual in nature with the exact location of the water treatment plant site to be mutually agreed upon by Owner and the Village.”

4.4 Installation of Utilities.

Installation of Utilities shall be provided in accordance with the Annexation Agreement Section 11.3.2, which states:

“Water main looping shall be required within Area 1, Area 2, and Area 3. Area 4 and Area 5 will be served via single source watermain. Unless physically necessary to serve the Property, the Owner shall have no obligation to construct water mains and sanitary sewer lines unless a Final Plan encompassing the area in which any such lines are to be located has been approved by the Village, and the Owner has undertaken the development of such area. Commencing at the power pole located approximately 450 feet South of the Seavey Road Tributary to the power pole located in the Northeast intersection of Merrill Rd and Route 47, the lines between these poles shall be buried, subject to Commonwealth Edison (“ComEd”) approval. Commencing at the power pole located along Route 47 approximately 1,000 feet south of Seavey Road to the power pole along Route 47 approximately 550 feet north of Seavey Road, the lines between these poles shall be buried, subject to Commonwealth Edison (“ComEd”) approval. Except as otherwise provided herein, the Owner shall work with electric and gas providers to provide service to the Property but shall not be required to bury any existing overhead lines or lines associated with power pole relocations. Any new service lines within the property boundaries shall be buried underground, with the exception of the service lines to be installed along I-88 and the electric service provided to data centers which may be overhead or underground and any electrical lines ComEd installs within their easements that were in place prior to the adoption of this agreement. Per ComEd policy, dry utilities shall be permitted to be installed within front yards.”

4.5 No Action Pending Which Would Interfere with Utilities.

As stated in Annexation Agreement Section 7.3:

“To the best of the Village’s knowledge and belief, there is no administrative, judicial, or legislative action pending or being threatened that would result in a reduction of, or limitation upon, Owner’s right to use the sanitary sewer and potable water supplies and systems serving the Village. The Village makes no representations regarding matters within the jurisdiction of FMWRD of which it has no knowledge”

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

4.6 Obligations Regarding the Project.

It is understood and agreed that the Developer has no time limitations to submit requests for approval of a Preliminary or a Final Plan. However once a Final Plan is approved by the Village, the Developer is subject to section 11.3.3 in the Annexation Agreement agrees as follows:

“Subject to any event of Force Majeure, as defined in Section 13.2 hereof, Owner agrees that public improvements will be meet the Substantial Completion criteria on **Exhibit O** no later than three (3) years after approval of the Final Plan encompassing such improvements (excluding roadway final lift, sidewalks, parkway trees and minor “punch list” items). Owner may request multiple one year extensions of this obligation and corresponding letter of credit.”

4.7 Public Infrastructure Guarantee shall be provided in accordance with the Annexation Agreement Section 11.3.4 which states:

“Upon the Village’s approval of a Final Plan for the Property, Owner shall post letters of credit as its surety for public improvements in the amount of One hundred twenty percent (120%) of the estimated cost of the Final Plan improvements, as determined by Owner’s Engineer in an Engineer’s Opinion of Probable Construction Costs (“EOPCC”) that has been reviewed and approved by the Village Engineer (the “Construction Guarantee”). The letter of credit shall (i) be acceptable to the Village whether issued in original form or electronically, (ii) be in effect for a minimum period of one year from the date of the recording of the Final Plan it secures, (iii) will automatically renew until such time that the Village final accepts the improvements but can be reduced if Village only accepts a portion of the improvements (or be callable if not renewed), (iv) shall be in the form then used by J. P Morgan Chase or any other form that is in general commercial use within the Chicago area and acceptable to the Village, so long as said letter of credit generally incorporates the requirements of Section 12-10-15 of the Village Code of Ordinances regarding performance guarantees, and (v) will only be callable if the letter of credit issuer is provided with a certified resolution or ordinance of the Village Board stating that the Village is entitled to call the letter of credit (or make a partial call) because the letter of credit’s applicant has failed to meet its obligations under this Agreement or an applicable Village ordinance. As individual public improvements are substantially complete by the Owner (i.e. mass grading, sanitary sewers, watermains, storm sewers, roadways, landscaping), the improvements shall be accepted by the Village and Construction Guarantee posted for the completed improvements shall be reduced or released as applicable. To the extent that Owner chooses to hold off on placing the final paving surface associated with a Final Plan until 80% occupancy is reached or 5 years after the 1st occupancy permit was issued and upon the Village’s request in such area or street trees and sidewalks to be installed by builders are incomplete within an area for which Construction Guarantee has been posted, the Village will allow for a reduction in the Construction Guarantee to 120% of the cost to complete the installation of the final paving surface, remaining street trees and remaining sidewalks and nothing more. Acceptance of improvements will not be unreasonably

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

withheld. Once improvements have been finally accepted, the Construction Guarantee balance shall be released and the original letter of credit returned to the issuer within 30 days. Upon Substantial Completion of the improvements by the Owner, Owner shall post letters of credit or bonds for its maintenance obligation for such accepted public improvements in the amount of 10% of the cost of the accepted public improvements (the "Maintenance Security") to cover defects in labor and materials but not items of general and ordinary maintenance. The Village shall notify the Owner in writing no less than 60 calendar days prior to expiration of the Maintenance Security of any material defects. The Maintenance Security shall be released and returned to Owner when an eighteen-month (18 month) maintenance period for the applicable public improvement ends. Mass grading improvements as shown on grading plans submitted to the Village shall not require the posting of Maintenance Security."

- 4.8 Impact and Permit Fees shall be paid in accordance with the Annexation Agreement.

ARTICLE V VILLAGE OBLIGATIONS

- 5.1 Special Tax Allocation Fund. The Village has established a special tax allocation fund (the "STAF") as mandated by the TIF Act, into which the Village shall deposit all Incremental Taxes as generated from the Project Area within ten (10) days of receipt from Kane County. The Village agrees to pay (i) any amounts due to the school and library districts having jurisdiction over the Development Areas pursuant to Section 11-74.4-3 (q) (7.5) of the TIF Act from the STAF; (ii) any third-party costs to administer the STAF and any reimbursement of the Village for staff time related to administering the STAF, provide appropriate logs of such time are maintained and such time is billed to the Developer on the basis of actual staff hours spent for such administrative tasks; (iii) any mutually agreed upon reimbursement of a government body or agency of a capital cost reimbursable pursuant to the TIF Act and thereafter to deposit ninety percent (90%) of the Incremental Taxes received from Kane County into a subaccount to be known as The Grove Subaccount (which Subaccount shall automatically be established upon approval of this Agreement). It is from The Grove Subaccount disbursements shall be made to the Developer in accordance with the procedures hereinafter set forth.
- 5.2 LIMITED LIABILITY. THE VILLAGE'S OBLIGATIONS TO REIMBURSE THE DEVELOPER UNDER THIS AGREEMENT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM INCREMENTAL TAXES DEPOSITED INTO THE GROVE SUBACCOUNT FROM TIME TO TIME AND SHALL NOT BE SECURED BY THE FULL FAITH AND CREDIT OF THE VILLAGE.
- 5.3 Request for Reimbursement. In consideration for the Developer undertaking the Project on the Subject Property and so long as no notice of default has been issued and remains outstanding, the Village agrees to reimburse the Developer for eligible Redevelopment Project Costs incurred by the Developer for Project Costs in an amount not to exceed \$109,213,421 from funds held in The Grove Subaccount, if available, and if not available,

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

with the issuance of a Developer's note, for a term not to exceed 20 years, in the form attached hereto as Exhibit G (the "Note") with interest commencing with the date of issuance at the rate of six and eight tenths percent (6.8%) if interest on the Note is tax exempt from Federal taxation or if the interest on the Note is taxable, the interest rate shall be eight percent (8%), but only upon satisfaction of the following conditions:

- (a) the Developer shall submit to the Village no more than twice annually, a Request for Reimbursement in the form attached hereto as Exhibit H with copies of paid invoices and final lien waivers from primary contractors with sworn statements that all subcontractors and suppliers have been paid to evidence that such Redevelopment Project Costs included in the request have been paid in full by the Developer and its contractors;
- (b) in apportioning the Redevelopment Cost relating to mass grading / site balancing for a given area of the Subject Property, the Redevelopment Cost shall be apportioned by taking the total area within the Final Plat of Subdivision (less "Open Space" as hereafter defined) and dividing it by the total area graded within the Project and then multiplying Redevelopment Cost for the mass grading / site balancing within the Project by the resulting percentage. The foregoing does not apply to the Initial Plat. For purposes of this Section, Open Space shall mean the open space areas north of the creek crossing the Subject Property and South of I-88 and those open space areas south of Merrill Road. If for any reason the mass grading occurs in phases, the same methodology shall be used, but applied to the phase of the mass grading within which the Final Plat of Subdivision is located rather than the entire Project;
- (c) approval of each Request for Reimbursement by the Village's engineer that the portion of the infrastructure for which reimbursement is requested has been constructed in accordance with this Agreement and meet the Substantial Completion criteria set forth in the Annexation Agreement;
- (d) Certification of the eligibility of each cost listed on the Request for Reimbursement by the Village's consultant SB Friedman or a consultant mutually agreed upon is a qualified Redevelopment Project Cost under the TIF Act;
- (e) that no Request for Reimbursement for any portion of the infrastructure project south of I-88 shall be accepted by the Village unless and until certificates of occupancy for no less than one hundred (100) residential homes constructed south of I-88 have been issued; and
- (f) With the exception of the final reimbursement request, no Request for Reimbursement may be made requesting reimbursement in an amount less than \$1,000,000, which request shall be made no more than twice a year.

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

5.4 Tax Exempt Note/Bond.

- (a) It is hereby agreed that in order to issue a tax-exempt Note, the Village shall obtain an opinion from nationally recognized Bond Counsel (which opinion shall also be for the benefit of the Developer) that under existing laws, regulations, judicial decisions and rulings, the interest on the Note is excludable from gross income under Section 103 of the Internal Revenue Code of 1986 at the time of issuance. The cost of services for Bond Counsel shall be paid from The Grove Subaccount and shall be eligible for reimbursement to the Developer as a Redevelopment Project Cost.
- (b) At any time during the term of this Agreement, the Village has the right, in its sole discretion, to issue bonds in the amounts determined by the Village, the proceeds of which shall be used to pay the principal, then the interest of outstanding Notes in the order of the date of issuance beginning with Note numbered as one, provided that all outstanding accrued interest (except for interest accrued for the current year) has been paid. The costs of issuance shall be the obligation of the Developer.

ARTICLE VI ENFORCEMENT AND REMEDIES

6.1 Notice; Cure; Self-Help.

In the event any party defaults in its performance of its obligations set forth in this Agreement, then any non-defaulting party shall give notice to the defaulting party setting forth the alleged default in detail. The defaulting party shall have 60 calendar days to cure the default or provide evidence that such default shall be cured in a timely manner if it cannot be cured during said period. In the event that the defaulting party disputes the existence of the default set forth in such notice or fails to so cure the default or to provide evidence that such default shall be cured in a timely manner, then following expiration of said 60-day period, any non-defaulting party may seek to enforce this Agreement in the Circuit Court for the 16th Judicial District, Kane County, Illinois. In addition, if Village is the defaulting party and Owner has not commenced construction of the infrastructure on the Subject Property, Owner may elect to disconnect the entire Subject Property from the Village. Upon receipt of Owner notice of disconnection, Village and Owner shall immediately take such actions as may be required to effectuate the disconnection of the Subject Property from the Village, including but not limited to the filing of petitions and the passage of ordinances. Upon such disconnection, this Agreement shall be of no further force and effect.

6.2 Events of Default by Developer. Any of the following events or circumstances shall be an event of default by the Developer with respect to this Agreement:

- (a) If any material representation made by the Developer in this Agreement shall prove to be untrue or incorrect in any material respect as of the date made.

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

- (b) Developer's default in the performance or breach of any material covenant, warranty, or obligation, contained in this Agreement Excluded from the foregoing is any default or breach made by a party acquiring part (but not all) of the Subject Property from the Developer.
- (c) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Developer in an involuntary case under the federal bankruptcy laws, or now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency, or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official of the Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order un-stayed and in effect for a period of 90 consecutive days. There shall be no cure period for this event of default.
- (d) The commencement by the Developer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency, or other similar law, or the consent by the Developer to the appointment of or taking possession, by a receiver, liquidator, assignee, trustee, custodian, sequestrator, or similar official of the Developer or of any substantial part of the Developer's property, or the making by any such entity of any assignment for the benefit of creditors or the failure of the Developer generally to pay such entity's debts as such debts become due or the taking of action by the Developer in furtherance of any of the foregoing. There shall be no cure period for this event of default.

6.3 Remedies for Default By Developer. Subject to the provisions of this Agreement, in the case of an event of default by the Developer, which has not been cured or resolved to the mutual satisfaction of the parties, the Village's sole remedies shall be to bring an action for collection of any monetary defaults or for non-monetary defaults to bring an action for specific performance (unless circumstances are such that the required action can not be performed in which case the Village may terminate this Agreement and thereafter all future obligations hereunder shall be deemed null and void). In case the parties shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason, the Developer and the Village shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Developer and the Village shall continue as though no such proceedings has been taken.

6.4 Indemnification by Developer: Agreement to Pay Attorneys' Fees and Expenses. Developer agrees to indemnify the Village, and all of its elected and appointed officials, officers, employees, agents, representatives, engineers, consultants, and attorneys, against any and all claims that may be asserted at any time against any of such parties in connection with or as a result of (i) Developer's development, construction, maintenance, or use of the Subject Property; or (ii) Developer's default under the provisions of this Agreement, the

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

PDD. Such indemnification obligation, however, shall not extend to claims asserted against the Village or any of the aforesaid parties in connection with or as a result of the Village's default under the provisions of this Agreement. If the Developer shall commit an event of default and the Village should employ an attorney or attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer, on the Village's demand, shall pay to the Village the reasonable fees such attorneys and such other reasonable fees expenses so incurred by the Village.

6.5 Events of Default by Village. Any of the following events or circumstances shall be an event of default by the Village with respect to this Agreement:

- (a) A default of any term, condition, or provision contained in any agreement or document relating to this Agreement, the PDD, and the failure to cure such default within the earlier of 60 days after the Developer's written notice of such default or in a time period reasonably required to cure such default or in accordance with the time period provided therein.
- (b) Failure to comply with any material term, provisions, or condition of this Agreement within the time herein specified and failing to cure such noncompliance within 60 days after written notice from the Developer of each failure or in a time period reasonably required to cure such default.

ARTICLE VII GENERAL PROVISIONS

7.1 Hold Harmless and Indemnification. Developer shall hold harmless the Village, and all of its elected and appointed officials, employees, agents, representatives, engineers, consultants, and attorneys from any and all claims that may asserted at any time against any of such parties in connection with (i) the Village's review and approval of any plans or improvements or (ii) the Village's issuance of any approval, permit or certificate. The Developer shall pay all expenses, including legal fees and administrative expenses, incurred by the Village in defending itself with regard to any and all such claims.

7.2 Force Majeure. Time is of the essence of this Agreement, provided, however, a party shall not be deemed in material breach of this Agreement with respect to any of its obligations under this Agreement on such party's part to be performed if such party fails to timely perform the same and such failure is due in whole or in part to any strike, lock-out, labor trouble (whether legal or illegal), civil disorder, weather conditions, failure or interruptions or power, restrictive governmental laws and regulations, condemnations, riots, insurrections, acts of terrorism, war, fuel shortages, accidents, casualties, floods, earthquakes, fires, acts of Gods, epidemics, quarantine restrictions, freight embargoes, acts caused directly or indirectly by the other party (or the other party's agents, employees or invitees) or similar causes beyond the reasonable control of such party ("Force Majeure"). If one of the foregoing events shall occur or either party shall claim that such an event shall

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

have occurred, the party to whom such claim is made shall investigate same and consult with the party making such claim regarding the same and the party to whom such claim is made shall grant any extension for the performance of the unsatisfied obligation equal to the period of the delay, which period shall commence to run from the time of the commencement of the Force Majeure; provided that the failure of performance was reasonably caused by such Force Majeure.

- 7.3 Amendments and Waiver. No modification, addition, deletion, revision, alteration, or other change to this Agreement, the PDD shall be effective unless and until the change is reduced to writing and executed and delivered by the Village and the Developer. No term or condition of this Agreement, the PDD shall be deemed waived by any party unless the term or conditions and limitations on the waiver are set forth specifically in a duly authorized and written waiver of such party. No waiver of any other term or condition of this Agreement, the PDD shall be deemed or construed as a waiver of any other term or condition of this Agreement, the PDD, nor shall waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or different provisions of this Agreement, or the PDD.
- 7.4 Binding Affect. This Agreement shall be binding upon and inure only to the benefit of the parties hereto and their respective successors and assigns. It is the express intent of the parties that the provisions of this Agreement not create, either express or equitably, any third party beneficiary except for builders and developers who purchase portions of the Subject Property from Developer.
- 7.5 Venue. In the event that this Agreement must be enforced by judicial proceedings, the parties agree that such proceedings shall be conducted only in the Circuit Court in Kane County, Illinois.
- 7.6 Definitions. Terms not specifically defined in this Agreement, the Annexation Agreement or the PDD shall have the meanings attributed to them in the Village Zoning Regulations and if not defined in the Village Zoning Regulations, shall have the meanings attributed to them in normal discourse.
- 7.7 Entire Agreement. This Agreement and the Annexation Agreement shall constitute the entire agreement of the parties; all other agreements between the Parties, whether written or oral, are merged into this Agreement and shall be of no force and effect.
- 7.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute the same instrument.
- 7.9 Cooperation of the Parties. The Village agrees to cooperate with the Developer in the defense of any lawsuits or claims brought by any person regarding this Agreement, the Annexation Agreement the PDD; Final Plans for the Subject Property; any change to the Project Area or Redevelopment Plan, or any procedural defects related to the foregoing.

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

ARTICLE VIII TERM

Unless terminated pursuant to Article 6 hereof, this Agreement shall be in full force and effect from the Commencement Date and terminate in the first to occur: (i) payment to the Developer of the principal amount equal to \$109,213,421 plus interest and redemption of all outstanding Notes; or (ii) December 31, 2048.

ARTICLE IX ASSIGNMENT

If all or a portion of the Subject Property is conveyed by the Developer, the Developer shall have the right in connection therewith to assign to a grantee any and all rights the Developer have under this Agreement which affect the portion of the Subject Property conveyed. When obligations are assigned by the Developer to the grantee, the Developer shall have no further rights or obligations under this Agreement as it relates to the portion of the Subject Property conveyed and assigned. The Developer shall provide notice to the Village within 10 business days of assignment of any rights or obligations under this Agreement. No notice shall be required if a portion of the Subject Property is sold to a third party and there is no express assignment or assumption of this Agreement as part of the sale.

ARTICLE X NOTICES

Any notices required pursuant to the provisions of this Agreement shall be in writing and be hand delivered or sent by certified mail return receipt requested, postage prepaid, to the following respective addresses until notice of change of address is given, and shall be deemed received, if hand delivered, when so delivered, or, if mailed by certified mail, on the fifth business day following deposit in the U.S. Mail.

If to Owner:

Sugar Grove LLC
c/o Crown Community Development
1751A West Diehl Road
Naperville, IL 60563
Attn: Teri Frankiewicz
tfrankiewicz@crown-chicago.com
Jennifer Cowan
jcowan@crown-chicago.com

With copies to:

Gould & Ratner LLP
222 North LaSalle Street, Suite 300
Chicago, Illinois 60601
Attn: John H. Mays
jmays@gouldratner.com

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

If to Village:

Village of Sugar Grove
Attn: Village Administrator
160 S. Municipal Drive, Suite 110
Sugar Grove, Illinois 60554

With copies to:

Village Attorney
160 S. Municipal Drive, Suite 110
Sugar Grove, IL 60554

The following documents are all of the Exhibits to this Agreement and are incorporated into its terms:

- Exhibit A: Legal Description of the Subject Property
- Exhibit B: Map of the Subject Property
- Exhibit C: Maps of Development Areas
- Exhibit D: Project Budget
- Exhibit E: Concept Village Green and Village Park Plans
- Exhibit F: Intentionally Omitted
- Exhibit G: Developer Note
- Exhibit H: Request for Reimbursement

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

In Witness Whereof, the parties have executed this Agreement as of the date set below then signatures to the effective as of the Commencement Date.

Attest:

Village of Sugar Grove, Kane County, Illinois

Village Clerk

By: _____
Village President

Dated: _____

Sugar Grove LLC, a limited liability company

By: _____
Authorized Person

Dated: _____

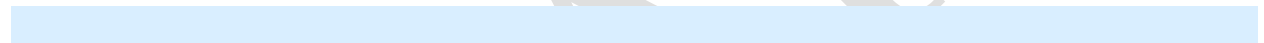


Exhibit A

LEGAL DESCRIPTION OF THE SUBJECT PROPERTY

ZONE PARCEL 1:

THAT PART OF THE NORTH HALF OF SECTION 4, TOWNSHIP 38 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER OF SAID SECTION 4; THENCE SOUTH 89 DEGREES 51 MINUTES 30 SECONDS WEST, 732.76 FEET ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 4; THENCE NORTH 00 DEGREES 08 MINUTES 30 SECONDS WEST, 391.78 FEET; THENCE SOUTH 89 DEGREES 51 MINUTES 30 SECONDS WEST, 540.27 FEET; THENCE SOUTH 38 DEGREES 46 MINUTES 21 SECONDS WEST, 224.41 FEET TO THE CENTERLINE OF MERRILL ROAD; THENCE NORTH 51 DEGREES 13 MINUTES 39 SECONDS WEST, 989.89 FEET ALONG SAID CENTERLINE; THENCE NORTH 38 DEGREES 46 MINUTES 21 SECONDS EAST, 89.40 FEET; THENCE NORTH 06 DEGREES 59 MINUTES 05 SECONDS EAST, 192.43 FEET; THENCE NORTH 51 DEGREES 12 MINUTES 59 SECONDS WEST, 165.89 FEET TO THE NORTHWESTERLY LINE OF A PROPERTY DESCRIBED IN A TRUSTEE'S DEED RECORDED AS DOCUMENT 1984791; THENCE NORTH 38 DEGREES 47 MINUTES 01 SECOND EAST, 140.72 FEET ALONG SAID NORTHWESTERLY LINE TO THE SOUTH LINE OF A TRACT OF LAND CONVEYED TO PUBLIC SERVICE COMPANY OF NORTHERN ILLINOIS BY DOCUMENT 714344; THENCE NORTH 89 DEGREES 40 MINUTES 50 SECONDS EAST, 3036.76 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF THE WEST 13.26 CHAINS OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 4; THENCE SOUTH 00 DEGREES 30 MINUTES 10 SECONDS EAST, 1322.64 FEET TO THE SOUTH LINE OF THE NORTH HALF OF SAID SECTION 4; THENCE SOUTH 89 DEGREES 51 MINUTES 30 SECONDS WEST, 900.25 FEET ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING, IN KANE COUNTY, ILLINOIS.

ZONE PARCEL 2:

THAT PART OF THE NORTH HALF OF SECTION 4 AND THE NORTHEAST QUARTER OF SECTION 5, BOTH IN TOWNSHIP 38 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE EAST HALF OF SECTION 32 AND THE WEST HALF OF SECTION 33, BOTH IN TOWNSHIP 39 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHWESTERLY LINE OF PARCEL E-8-

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

33 ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY PROCEEDING OUTLINED IN CASE NUMBER 71-ED-7077 IN THE CIRCUIT COURT OF KANE COUNTY, ILLINOIS AND THE NORTH LINE OF A TRACT CONVEYED TO PUBLIC SERVICE COMPANY OF NORTHERN ILLINOIS (NOW COMMONWEALTH EDISON) PER DOCUMENT 714344; THENCE SOUTH 89 DEGREES 40 MINUTES 50 SECONDS WEST, 4711.99 FEET ALONG SAID NORTH LINE; THENCE CONTINUING SOUTH 89 DEGREES 07 MINUTES 36 SECONDS WEST, 247.08 FEET ALONG SAID NORTH LINE TO THE CENTERLINE OF MERRILL ROAD; THE FOLLOWING TWO COURSES ARE ALONG SAID CENTERLINE; 1) THENCE NORTH 56 DEGREES 41 MINUTES 45 SECONDS WEST, 612.90 FEET; 2) THENCE NORTH 54 DEGREES 03 MINUTES 27 SECONDS WEST, 148.58 FEET TO THE SOUTHEASTERLY LINE OF A TRACT DESCRIBED IN TRUSTEE DEED RECORDED AS DOCUMENT 2004K111075; THENCE NORTH 33 DEGREES 54 MINUTES 49 SECONDS EAST, 722.04 FEET ALONG SAID SOUTHEASTERLY LINE; THENCE NORTH 49 DEGREES 45 MINUTES 39 SECONDS WEST, 437.09 FEET; THENCE NORTHERLY, 122.02 FEET ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 230.00 FEET AND A CHORD BEARING NORTH 34 DEGREES 33 MINUTES 47 SECONDS WEST; THENCE NORTH 19 DEGREES 21 MINUTES 55 SECONDS WEST, 654.09 FEET; THENCE SOUTH 70 DEGREES 14 MINUTES 06 SECONDS WEST, 70.83 FEET; THENCE NORTH 19 DEGREES 45 MINUTES 54 SECONDS WEST, 252.55 FEET; THENCE NORTHWESTERLY, 764.38 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 450.00 FEET AND A CHORD BEARING NORTH 68 DEGREES 01 MINUTE 39 SECONDS WEST; THENCE SOUTH 63 DEGREES 18 MINUTES 38 SECONDS WEST, 296.07 FEET TO THE EAST LINE OF ILLINOIS ROUTE 47 AS DEPICTED ON A PLAT OF HIGHWAYS RECORDED AS DOCUMENT 1172190; THE FOLLOWING SEVEN COURSES ARE ALONG SAID EAST LINE; 1) THENCE NORTH 25 DEGREES 28 MINUTES 49 SECONDS WEST, 158.49 FEET; 2) THENCE NORTHERLY, 195.93 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 3899.83 FEET AND A CHORD BEARING NORTH 32 DEGREES 54 MINUTES 57 SECONDS WEST; 3) THENCE NORTH 34 DEGREES 18 MINUTES 19 SECONDS WEST, 408.21 FEET; 4) THENCE NORTH 28 DEGREES 35 MINUTES 41 SECONDS WEST, 100.50 FEET; 5) THENCE NORTH 34 DEGREES 18 MINUTES 19 SECONDS WEST, 400.00 FEET; 6) THENCE NORTH 40 DEGREES 00 MINUTES 57 SECONDS WEST, 100.50 FEET; THENCE NORTH 18 DEGREES 34 MINUTES 13 SECONDS WEST, 446.01 FEET TO THE NORTHEAST CORNER OF PARCEL E8-31.1 ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY PROCEEDING OUTLINED IN AFOREMENTIONED CASE NUMBER 71-ED-7077; THE FOLLOWING THREE COURSES ARE ALONG THE SOUTHERLY LINE OF SAID PARCEL E8-31.1; 1) NORTH 85 DEGREES 19 MINUTES 14 SECONDS EAST, 1501.83 FEET; 2) THENCE SOUTH 03 DEGREES 07 MINUTES 45 SECONDS EAST, 221.53 FEET TO THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 32; 3) THENCE NORTH 89 DEGREES 19 MINUTES 42 SECONDS EAST, 937.22 FEET ALONG SAID SOUTH LINE TO THE SOUTHWESTERLY LINE OF PARCEL E8-31 ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

AUTHORITY BY PROCEEDING OUTLINED IN AFOREMENTIONED CASE NUMBER 71-ED-7077; THE FOLLOWING FIVE COURSES ARE ALONG THE SOUTHWESTERLY RIGHT OF WAY LINE OF INTERSTATE ROUTE 88 PER SAID CASE 71-ED-7077; 1) THENCE SOUTH 54 DEGREES 12 MINUTES 42 SECONDS EAST, 1314.28 FEET; 2) THENCE SOUTH 51 DEGREES 20 MINUTES 58 SECONDS EAST, 500.62 FEET; 3) THENCE SOUTH 58 DEGREES 58 MINUTES 31 SECONDS EAST, 301.04 FEET; 4) THENCE SOUTH 54 DEGREES 12 MINUTES 42 SECONDS EAST, 3910.41 FEET; 5) THE SOUTHEASTERLY, 488.96 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 11584.16 FEET AND A CHORD BEARING SOUTH 55 DEGREES 25 MINUTES 15 SECONDS EAST TO THE POINT OF BEGINNING, IN KANE COUNTY, ILLINOIS.

ZONE PARCEL 3-SOUTH:

THAT PART OF THE NORTHEAST CORNER OF SECTION 5, TOWNSHIP 38 NORTH, RANGE 7 AND THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 3 IN UNIT NO. 1-OAKCREST, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF SAID SECTION 5 ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 13, 1964 AS DOCUMENT 1034810; THENCE SOUTH 89 DEGREES 07 MINUTES 36 SECONDS WEST, 585.86 FEET TO THE EASTERLY LINE OF ILLINOIS ROUTE 47 AS DEPICTED ON A PLAT OF HIGHWAYS RECORDED AS DOCUMENT 1172190; THE FOLLOWING SIX COURSES ARE ALONG SAID EASTERLY LINE; 1) THENCE NORTHERLY, 475.73 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 8327.84 FEET AND A CHORD BEARING NORTH 01 DEGREE 41 MINUTES 08 SECONDS EAST; 2) THENCE NORTH 00 DEGREES 41 MINUTES 05 SECONDS WEST, 109.04 FEET; 3) THENCE NORTH 03 DEGREES 21 MINUTES 52 SECONDS EAST, 102.39 FEET; 4) THENCE NORTHERLY, 333.69 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 3889.83 FEET AND A CHORD BEARING NORTH 05 DEGREES 26 MINUTES 56 SECONDS WEST; 5) THENCE NORTH 15 DEGREES 56 MINUTES 15 SECONDS WEST, 76.93 FEET; 6) THENCE NORTHERLY, 694.03 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 3879.83 FEET AND A CHORD BEARING NORTH 14 DEGREES 09 MINUTES 21 SECONDS WEST; THENCE NORTH 70 DEGREES 14 MINUTES 06 SECONDS EAST, 823.72 FEET; THENCE SOUTH 19 DEGREES 21 MINUTES 55 SECONDS EAST, 654.09 FEET; THENCE SOUTHERLY, 122.02 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 230.00 FEET AND A CHORD BEARING SOUTH 34 DEGREES 33 MINUTES 47 SECONDS EAST; THENCE SOUTH 49 DEGREES 45 MINUTES 39 SECONDS EAST, 437.09 FEET; THENCE SOUTH 33 DEGREES 54 MINUTES 49 SECONDS WEST, 282.00 FEET; THENCE NORTH 52 DEGREES 48 MINUTES 19 SECONDS WEST, 573.32 FEET; THENCE SOUTH 33 DEGREES 54 MINUTES 49 SECONDS WEST, 441.01 FEET TO THE CENTERLINE OF MERRILL ROAD;

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

THE FOLLOWING TWO COURSES ARE ALONG SAID CENTERLINE; 1) THENCE SOUTH 47 DEGREES 39 MINUTES 05 SECONDS EAST, 103.59 FEET; 2) THENCE SOUTH 54 DEGREES 03 MINUTES 27 SECONDS EAST, 562.63 FEET TO THE NORTHEASTERLY EXTENSION OF THE NORTHWEST LINE OF AFOREMENTIONED LOT 3; THENCE SOUTH 35 DEGREES 54 MINUTES 08 SECONDS WEST, 471.87 FEET ALONG SAID NORTHEASTERLY EXTENSION AND NORTHWESTERLY LINE OF SAID LOT 3 TO THE POINT OF BEGINNING, IN KANE COUNTY ILLINOIS.

ZONE PARCEL 3-NORTH:

THAT PART OF THE NORTHEAST CORNER OF SECTION 5, TOWNSHIP 38 NORTH, RANGE 7 AND THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 3 IN UNIT NO. 1-OAKCREST, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF SAID SECTION 5 ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 13, 1964 AS DOCUMENT 1034810; THENCE SOUTH 89 DEGREES 07 MINUTES 36 SECONDS WEST, 585.86 FEET TO THE EASTERLY LINE OF ILLINOIS ROUTE 47 AS DEPICTED ON A PLAT OF HIGHWAYS RECORDED AS DOCUMENT 1172190; THE FOLLOWING EIGHT COURSES ARE ALONG SAID EASTERLY LINE; 1) THENCE NORTHERLY, 475.73 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 8327.84 FEET AND A CHORD BEARING NORTH 01 DEGREE 41 MINUTES 08 SECONDS EAST; 2) THENCE NORTH 00 DEGREES 41 MINUTES 05 SECONDS WEST, 109.04 FEET; 3) THENCE NORTH 03 DEGREES 21 MINUTES 52 SECONDS EAST, 102.39 FEET; 4) THENCE NORTHERLY, 333.69 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 3889.83 FEET AND A CHORD BEARING NORTH 05 DEGREES 26 MINUTES 56 SECONDS WEST; 5) THENCE NORTH 15 DEGREES 56 MINUTES 15 SECONDS WEST, 76.93 FEET; 6) THENCE NORTHERLY, 694.03 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 3879.83 FEET AND A CHORD BEARING NORTH 14 DEGREES 09 MINUTES 21 SECONDS WEST TO THE POINT OF BEGINNING; 7) THENCE CONTINUING NORTHWESTERLY, 521.68 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 3879.83 FEET AND A CHORD BEARING NORTH 23 DEGREES 07 MINUTES 57 SECONDS WEST; 8) THENCE NORTH 25 DEGREES 28 MINUTES 49 SECONDS WEST, 147.06 FEET; THENCE NORTH 63 DEGREES 18 MINUTES 38 SECONDS EAST, 296.07 FEET; THENCE SOUTHEASTERLY, 764.38 FEET ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 450.00 FEET AND A CHORD BEARING SOUTH 68 DEGREES 01 MINUTE 39 SECONDS EAST; THENCE SOUTH 19 DEGREES 45 MINUTES 54 SECONDS EAST, 252.55 FEET; THENCE SOUTH 70 DEGREES 14 MINUTES 06 SECONDS WEST, 752.89 FEET TO THE POINT OF BEGINNING, IN KANE COUNTY ILLINOIS.

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

ZONE PARCEL 4:

THAT PART OF THE SOUTH HALF OF SECTION 29, THE NORTH HALF OF SECTION 32 AND THE NORTHWEST QUARTER OF SECTION 33, ALL IN TOWNSHIP 39 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 29; THENCE SOUTH ALONG THE NORTH-SOUTH LINE OF SAID SECTION 20, A DISTANCE OF 366.30 FEET TO THE SOUTHWEST CORNER OF A TRACT DESCRIBED IN A DEED RECORDED AS DOCUMENT 2001K029336 FOR A POINT OF BEGINNING; THENCE SOUTH 68 DEGREES 17 MINUTES 52 SECONDS EAST, 1955.09 FEET; THENCE SOUTH 12 DEGREES 33 MINUTES 48 SECONDS WEST, 273.19 FEET; THENCE SOUTH 12 DEGREES 18 MINUTES 48 SECONDS WEST, 1331.04 FEET; THENCE SOUTH 11 DEGREES 48 MINUTES 48 SECONDS WEST, 291.56 FEET TO THE CENTERLINE OF SEAVEY ROAD; THENCE SOUTH 84 DEGREES 45 MINUTES 06 SECONDS EAST, 1898.36 FEET ALONG SAID CENTERLINE; THENCE SOUTH 61 DEGREES 29 MINUTES 30 SECONDS EAST, 274.10 FEET; THENCE SOUTH 28 DEGREES 21 MINUTES 39 SECONDS WEST, 2296.81 FEET TO THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 32; THENCE SOUTH 89 DEGREES 19 MINUTES 42 SECONDS WEST, 162.28 FEET ALONG SAID SOUTH LINE TO THE NORTHEASTERLY LINE OF PARCEL E8-28B ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY PROCEEDING OUTLINED IN CASE NUMBER 71-ED-7077 IN THE CIRCUIT COURT OF KANE COUNTY, ILLINOIS; THE FOLLOWING FIVE COURSES ARE ALONG SAID NORTHEASTERLY LINE; 1) THENCE NORTH 54 DEGREES 12 MINUTES 42 SECONDS WEST, 371.45 FEET; 2) THENCE NORTHWESTERLY, 194.73 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 2989.79 FEET AND A CHORD BEARING NORTH 56 DEGREES 04 MINUTES 39 SECONDS WEST; 3) THENCE NORTH 57 DEGREES 56 MINUTES 37 SECONDS WEST, 490.70 FEET; 4) THENCE NORTH 68 DEGREES 34 MINUTES 48 SECONDS WEST, 877.13 FEET; 5) THENCE NORTH 65 DEGREES 46 MINUTES 04 SECONDS WEST, 995.22 FEET TO THE SOUTHEAST CORNER OF PARCEL NO. E-8-18-001 AS DESCRIBED IN QUIT CLAIM DEED RECORDED AS DOCUMENT 2018K057461; THE FOLLOWING TWO COURSES ARE ALONG THE NORTHERLY LINE OF SAID TRACT: 1) THENCE NORTH 40 DEGREES 12 MINUTES 22 SECONDS WEST, 5.22 FEET; 2) THENCE NORTHWESTERLY, 240.13 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 575.00 FEET AND A CHORD BEARING NORTH 52 DEGREES 10 MINUTES 11 SECONDS WEST; THENCE NORTH 21 DEGREES 15 MINUTES 29 SECONDS WEST, 394.29 FEET; THENCE NORTH 09 DEGREES 35 MINUTES 15 SECONDS WEST, 683.25 FEET TO THE CENTERLINE OF SEAVEY ROAD; THENCE SOUTH 85 DEGREES 17 MINUTES 36 SECONDS EAST, 393.53 FEET ALONG SAID CENTERLINE; THENCE NORTH 04 DEGREES 42 MINUTES 24 SECONDS EAST, 964.35 FEET; THENCE NORTH 81 DEGREES 08 MINUTES 10 SECONDS WEST, 191.51 FEET; THENCE NORTH 08 DEGREES 51 MINUTES 50 SECONDS EAST,

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

514.78 FEET; THENCE NORTH 14 DEGREES 20 MINUTES 19 SECONDS EAST, 1017.33 FEET; THENCE SOUTH 69 DEGREES 00 MINUTES 36 SECONDS EAST, 156.76 FEET TO THE POINT OF BEGINNING, IN KANE COUNTY, ILLINOIS.

ZONE PARCEL 5-EAST:

THAT PART OF THE SOUTH HALF OF SECTION 29 AND THE NORTH HALF OF SECTION 32, BOTH IN TOWNSHIP 39 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 29; THENCE SOUTH ALONG THE NORTH-SOUTH LINE OF SAID SECTION 20, A DISTANCE OF 366.30 FEET TO THE NORTH LINE OF A TRACT DESCRIBED IN A DEED RECORDED AS DOCUMENT 2001K029336; THENCE NORTH 69 DEGREES 00 MINUTES 36 SECONDS WEST, 156.76 FEET; THENCE SOUTH 14 DEGREES 20 MINUTES 19 SECONDS WEST, 1017.33 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 08 DEGREES 51 MINUTES 50 SECONDS WEST, 514.78 FEET; THENCE SOUTH 81 DEGREES 08 MINUTES 10 SECONDS EAST, 191.51 FEET; THENCE SOUTH 04 DEGREES 42 MINUTES 24 SECONDS WEST, 964.35 FEET TO THE CENTERLINE OF SEAVEY ROAD; THENCE NORTH 85 DEGREES 17 MINUTES 36 SECONDS WEST, 393.53 FEET; THENCE SOUTH 09 DEGREES 35 MINUTES 15 SECONDS EAST, 683.25 FEET; THENCE SOUTH 21 DEGREES 15 MINUTES 29 SECONDS EAST, 394.29 FEET TO THE NORTHERLY LINE OF PARCEL NO. E-8-18-001 AS DESCRIBED IN QUIT CLAIM DEED RECORDED AS DOCUMENT 2018K057461; THE FOLLOWING TWO COURSES ARE ALONG SAID NORTHERLY LINE; 1) THENCE WESTERLY 217.38 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 575.00 FEET AND A CHORD BEARING NORTH 74 DEGREES 57 MINUTES 51 SECONDS WEST; 2) THENCE NORTH 85 DEGREES 47 MINUTES 41 SECONDS WEST, 250.13 FEET TO A POINT ON THE EAST LINE OF PARCEL E8-28.3 ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY PROCEEDING OUTLINED IN CASE NUMBER 71-ED-7077 IN THE CIRCUIT COURT OF KANE COUNTY, ILLINOIS; THE FOLLOWING TWO COURSES ARE ALONG THE EASTERLY LINE OF SAID PARCEL E8-28.3; 1) THENCE NORTH 21 DEGREES 15 MINUTES 29 SECOND WEST, 199.72 FEET; 2) THENCE NORTH 09 DEGREES 35 MINUTES 15 SECONDS WEST, 826.04 FEET TO THE CENTERLINE OF AFOREMENTIONED SEAVEY ROAD; THENCE SOUTH 85 DEGREES 17 MINUTES 36 SECONDS EAST, 216.88 FEET; THENCE NORTH 04 DEGREES 42 MINUTES 24 SECONDS EAST, 33.00 FEET; THENCE NORTH 77 DEGREES 30 MINUTES 30 SECONDS WEST, 234.68 FEET; THENCE NORTH 06 DEGREES 20 MINUTES 24 SECONDS WEST, 145.44 FEET; THENCE NORTH 10 DEGREES 53 MINUTES 12 SECONDS WEST, 147.37 FEET; THENCE NORTH 02 DEGREES 42 MINUTES 08 SECONDS EAST, 287.71 FEET; THENCE NORTHERLY, 45.33 FEET ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 1870.08 FEET AND A CHORD BEARING NORTH 10 DEGREES 37 MINUTES 54 SECONDS

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

EAST; THENCE NORTH 11 DEGREES 19 MINUTES 34 SECONDS EAST, 612.74 FEET; THENCE NORTH 23 DEGREES 43 MINUTES 23 SECONDS EAST, 127.64 FEET; THENCE NORTH 31 DEGREES 02 MINUTES 48 SECONDS EAST, 154.30 FEET; THENCE SOUTH 79 DEGREES 22 MINUTES 50 SECONDS EAST, 563.45 FEET TO THE POINT OF BEGINNING, IN KANE COUNTY, ILLINOIS.

ZONE PARCEL 5-WEST:

THAT PART OF SECTION 29, 30, 31 AND 32 TOWNSHIP 39 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 31; THENCE NORTH 80 DEGREES 32 MINUTES 02 SECONDS EAST 220.22 FEET; THENCE NORTH 86 DEGREES 55 MINUTES 13 SECONDS EAST 1463.92 FEET; THENCE NORTH 86 DEGREES 55 MINUTES 14 SECONDS EAST, 175.00 FEET; THENCE SOUTH 77 DEGREES 24 MINUTES 25 SECONDS EAST, 266.14 FEET TO THE CENTERLINE OF SEAVEY ROAD; THENCE SOUTH 86 DEGREES 54 MINUTES 29 SECONDS EAST, 184.98 FEET ALONG SAID CENTERLINE TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 86 DEGREES 54 MINUTES 29 SECONDS EAST, 1723.08 FEET ALONG SAID CENTERLINE TO THE NORTHWEST CORNER OF A TRACT OF LAND KNOWN AS PARCEL E8-28.2 ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY PROCEEDINGS OUTLINED IN CASE NO. 71-ED-7077 IN THE CIRCUIT COURT OF KANE COUNTY, ILLINOIS; THENCE SOUTH 06 DEGREES 54 MINUTES 54 SECONDS EAST, 1165.88 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL E8-28.2, SAID POINT ALSO BEING ON THE NORTHERLY LINE OF PARCEL E8-28A PER SAID CASE 71-ED-7077; THE FOLLOWING FOUR COURSES ARE ALONG THE SAID NORTHERLY LINE; 1) THENCE SOUTH 83 DEGREES 24 MINUTES 20 SECONDS WEST, 669.96 FEET; 2) THENCE NORTH 62 DEGREES 24 MINUTES 06 SECONDS WEST, 845.31 FEET; 3) THENCE NORTH 36 DEGREES 34 MINUTES 45 SECONDS WEST, 711.99 FEET; 4) THENCE NORTH 30 DEGREES 40 MINUTES 15 SECONDS WEST, 74.83 FEET; THENCE NORTH 03 DEGREES 05 MINUTES 31 SECONDS EAST, 300.00 FEET TO THE POINT OF BEGINNING, IN KANE COUNTY, ILLINOIS.

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

Property Index Numbers:

11-29-352-001	11-32-200-005	14-04-100-011
11-29-376-011	11-32-200-013	14-04-100-012
11-29-376-012	11-32-200-014	14-04-100-022
11-29-400-006	11-32-328-004	14-04-100-023
11-29-400-007	11-32-328-007	14-04-100-024
11-30-477-004	11-32-426-004	14-04-100-026
11-31-200-016	11-32-426-006	14-04-100-028
11-31-200-017	11-32-426-009	14-04-100-030
11-32-100-005	11-33-100-014	14-04-100-032
11-32-100-021	11-33-100-015	14-04-200-004
11-32-100-022	11-33-300-003	14-04-200-019
11-32-100-023	11-33-300-007	14-05-200-028
11-32-100-025	11-33-400-012	14-05-200-041
11-32-200-001	14-04-100-001	

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

Exhibit B

DRAFT

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

Consulting Engineers, Land Surveyors & Planners
2280 White Oak Circle, Suite 100 Aurora, Illinois
E-Mail: cedee@cedee.com Phone: 630.882.2100 FAX: 630.882.2199
E-Mail: cedee@cedee.com Website: www.cedee.com

DISC NO.: 456210 FLD NAME: ZONING EXHIBIT
DRAWN BY: AIB FILE BRK: / PG. NO.: N/A
CHECKED BY: DATE: 10-10-2023 JOB NO.: 456.210

REVIEWED 10-26-23 SMR PER CLIENT REVIEW
REVIEWED 10-26-23 SMR PER CLIENT REVIEW
REVIEWED 03-31-24 SMR PER CLIENT REVIEW
REVIEWED 03-31-24 SMR PER CLIENT REVIEW
REVIEWED 07-24-24 GJK PER VILLAGE REVIEW

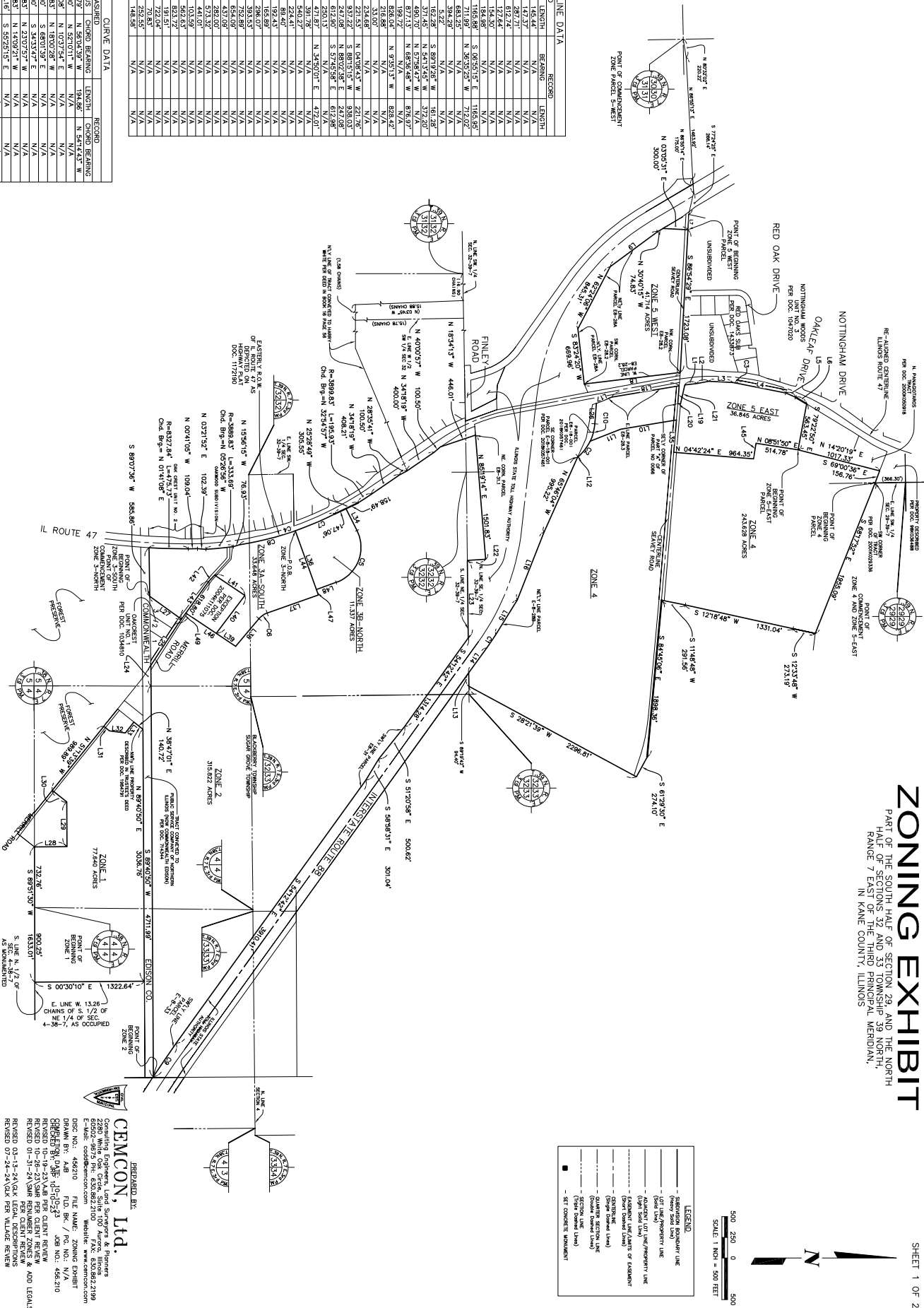


Exhibit C

DRAFT

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.



LEGEND

	Proposed Area Boundary
	Existing Property Boundary
	Proposed Right of Way (Final alignment will be determined at time of Final Plat)
	Area 1 (Residential)
	Area 2 (Residential)
	Area 3 (Commercial, Retail, Office, Civic, Residential)
	Area 4 (Business Park)
	Area 5 (Commercial, Retail, Office, Civic, Residential)
	Green Space / Private Parks
	Wetlands
	Stormwater Facility

Area Summary							
Location	Gross Area	ROW	Stormwater Facility	Green Space	Private Park	Open Space	Net Area
Area 1	77.6	2.5	9.3	0.0	2.0	11.3	63.8
Area 2	315.8	9.5	34.6	100.1	0.0	134.7	171.6
Area 3	45.0	2.3	0.0	11.9	7.0	18.9	23.8
Area 4	244.1	5.0	31.7	23.9	0.0	55.6	183.5
Area 5	78.6	2.1	7.5	7.5	0.0	15.0	61.5
Site Totals	761.1	21.4	83.1	143.4	9.0	235.5	504.2
							Percent of Open Space
							14.6%
							42.7%
							42.0%
							22.8%
							19.1%
							30.9%

This plan is conceptual and subject to change. Neither Sugar Grove LLC nor any of its affiliates makes any representation or warranty, express or implied, as to its accuracy or completeness.



Park and roadway names provided herein are provided for reference purposes and are subject to change. This plan is conceptual and subject to change. Neither Sugar Grove LLC nor any of its affiliates makes any representation or warranty, express or implied, as to its accuracy or completeness.

Exhibit D

Total TIF Budget - All Phases	
TIF Formation Costs	\$ 200,000
Mass Earthwork and Drainage Improvements	\$ 26,202,388
Community Parks, Paths, Enhanced Landscaping/Hardscaping	\$ 8,680,000
Merrill Road	\$ 1,234,233
Denny Road	\$ 8,049,548
Route 47	\$ 16,059,542
Seavey Road	\$ 11,961,322
Town Center Roads and Utilities	\$ 2,066,954
Water System Improvements - Distribution Mains	\$ 11,067,469
Water System Improvements - 750,000 Gal Tank	\$ 5,976,880
Water System Improvements - PRV/BP	\$ 1,719,955
Sanitary Sewer - Collection	\$ 1,775,988
Subtotal Costs =	\$ 94,994,279
Project Contingency	\$ 14,219,142
Total Estimated TIF Budget =	\$ 109,213,421

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

Exhibit E

CONCEPT VILLAGE GREEN AND VILLAGE PARK PLANS



These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

NOTE

VILLAGE OF SUGAR GROVE, KANE COUNTY, ILLINOIS
SPECIAL TAX INCREMENT REVENUE NOTE

I-88 and IL-47 Redevelopment Project Area

Amt. _____, 202__

WHEREAS, pursuant to its powers and in accordance with the requirements of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, (the “TIF Act”), the Mayor and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois (the “Corporate Authorities”) pursuant to Ordinance Nos. _____, _____ and _____ adopted on _____, 2024 designated a Redevelopment Project Area and approved an Eligibility Report and Redevelopment Plan and Project for the redevelopment of the Redevelopment Project Area known as the I-88 and IL-47 Redevelopment Project Area and adopted the TIF Act as applicable to the Redevelopment Project Area; and,

WHEREAS, on _____, 2024, the Corporate Authorities approved a certain Redevelopment Agreement (the “Redevelopment Agreement”) with Sugar Grove LLC, an Illinois limited liability company (the “Developer” or the “Owner”) the terms and provisions of which are incorporated herein by reference, pertaining to the development of certain property, legally described therein (the “Subject Property” or the “Property”), which Development Agreement provided for reimbursement to the Developer of certain “Eligible Redevelopment Project Costs” as defined by the TIF Act, to be incurred by the Developer in connection with the development of the Subject Property (the “Project”); and,

WHEREAS, pursuant to Article V of the Redevelopment Agreement, the Village is obligated to reimburse the Developer for eligible Redevelopment Project Costs from Incremental Taxes both of which are limited by the terms of the Development Agreement. The Village has agreed to issue this Note with interest at the rate of _____ Percent (____%) per annum on the amount hereinabove stated as hereinafter set forth.

NOW, THEREFORE, the Village, by and through the Corporate Authorities, covenants and agrees as follows:

1. *Incorporation of recitals and definitions of terms.* The foregoing recitals are incorporated into this Note as if they were fully set forth in this *Section 1*.
2. *Promise to pay.* The Village promises to pay to the order of the Developer or its successor as the holder of this Note (“Holder”), when and as provided in the Development Agreement together with interest on the balance of such principal sum outstanding from time to time at the rate of _____ Percent (____%) per annum. Interest under this Note will be

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

calculated on the basis of a 360-day year consisting of twelve 30-day months. Except as provided in Section 5.4(b) of the Redevelopment Agreement, payments and prepayments on account of the indebtedness evidenced by this Note shall be applied first, to accrued and unpaid interest on the principal balance of this Note and second to the payment of principal.

3. *Pledge of, and lien on, Incremental Taxes deposited in the Grove Subaccount, as defined in the Development Agreement.* THIS NOTE SHALL BE PAYABLE SOLELY FROM PLEDGED FUNDS AS SET FORTH IN THE DEVELOPMENT AGREEMENT AND SUBJECT TO THE TERMS AND CONDITIONS OF SAID REDEVELOPMENT AGREEMENT.

4. *Payments.* Payments on account of the indebtedness evidenced by this Note shall be made annually to the order of the Holder by check or wire transfer of lawful money of the United States of America, pursuant to instructions provided by the Holder in writing from time to time, until December 31, 2048 or twenty years from the date of issuance, whichever comes first.

5. *Limited obligation of the Village.* THIS NOTE IS NOT SECURED BY THE FULL FAITH AND CREDIT OF THE VILLAGE AND IS NOT PAYABLE OUT OF ANY FUND OF THE VILLAGE OTHER THAN AS SET FORTH IN THE DEVELOPMENT AGREEMENT. THIS NOTE CONSTITUTES A LIMITED OBLIGATION OF THE VILLAGE, AND ALL PAYMENTS DUE UNDER THIS NOTE SHALL BE PAYABLE SOLELY FROM THE GROVE SUBACCOUNT AS OBLIGATED IN THE DEVELOPMENT AGREEMENT AND SUBJECT TO THE TERMS AND CONDITIONS OF THE DEVELOPMENT AGREEMENT.

6. *Default.* If funds are available to make any payment required by this Note, and if the Village thereafter fails to make such payment, the Village shall be deemed to be in default under this Note. After any default, the Holder may bring an action at law or in equity in any court of competent jurisdiction to enforce payment of this Note, provided that the Holder shall have first given the Village notice of its intent to bring such action and thirty (30) days to cure any such default. Failure of the Holder to exercise its right to bring an action to remedy a default hereunder shall not constitute a waiver of its right to bring an action to remedy any subsequent default.

7. *Miscellaneous.*

(a) In any provision of this Note is found by a court of competent jurisdiction to be in violation of any applicable law, and if such court should declare such provision to be unlawful, void or unenforceable as written, then it is the intent of the Village and the Holder that such provisions shall be given full force and effect to the fullest possible extent that is legal, valid and enforceable, that the remainder of this 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 Holder shall continue in full force and effect.

(b) This Note may be freely assigned or pledged (including, without limitation, as collateral to any lender providing project financing) in compliance with applicable laws, provided, however, the Village makes no representation or warranty regarding the legality or validity of any such assignment or pledge of this Note.

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

(c) Any notice, request, demand, instruction or other document to be given or served hereunder shall be addressed, delivered and deemed effective as provided in the Development Agreement.

(d) The provisions of this Note shall not be deemed to amend the provisions of the Development Agreement in any respect. To the extent of any conflict or inconsistency between the provisions of the Development Agreement and the provisions of this Note, this Note shall in all instances supersede and control.

(e) It is hereby certified, recited and declared that all acts, conditions and things required to exist happen and be performed precedent to the issuance of this Note to exist, have happened, have been performed in due time, form and manner as required by law.

This Note is executed as of _____, 2024.

Village of Sugar Grove,
an Illinois municipal Corporation

By: _____
Village President

Attest:

Village Clerk

CERTIFICATE OF AUTHENTICATION

This Note is the Note described in the Development Agreement and is one of the Development Notes of the I-88 and IL-47 Redevelopment Project Areas, of the Village of Sugar Grove, Kane County, Illinois.

FINANCE DIRECTOR OF THE VILLAGE OF
SUGAR GROVE, ILLINOIS, as Note Registrar

By: _____
Authorized Representative

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

Exhibit H

Form of Request for Reimbursement
REQUEST FOR REIMBURSEMENT

Village of Sugar Grove
Village Administrator
160 S. Municipal Drive, Suite 110
Sugar Grove, Illinois 60554

Re: Development Agreement, dated _____, 2024 (the “Agreement”), by and between the Village of Sugar Grove, Kane County, Illinois, an Illinois municipal corporation and Sugar Grove LLC (the “Developer”)

Dear Sir:

You are requested to disburse funds from the Special Tax Allocation Fund pursuant to Article V of the Development Agreement described above in the amount(s) and for the purpose(s) set forth in this Request for Reimbursement. The terms used in this Request for Reimbursement shall have the meanings given to those terms in the Development Agreement.

1. Request for Reimbursement No.:
2. Amount to be Disbursed:
3. The amount requested to be disbursed pursuant to this Request for Reimbursement will be used to reimburse the Developer for those Redevelopment Project Costs for the Project as detailed in Schedule 1 attached to this Request for Reimbursement.
4. The undersigned certifies that:
 - (i) the amounts included in 2 above were made or incurred or financed and were necessary for the infrastructure project described in the Development Agreement and were made or incurred in accordance with the construction contracts, plans and specifications heretofore in effect;
 - (ii) the amounts paid or to be paid, as set forth in this Request for Reimbursement, represent a part of the funds due and payable for Redevelopment Project Costs;
 - (iii) the expenditures for which amounts are requisitioned represent eligible Redevelopment Project Costs described in Development Agreement, have not been included in any previous Request for Reimbursement, have been properly recorded on the Developer’s books and are set forth on the attached Schedule 1, with paid invoices, bill of sale, contractor’s sworn statement attached for all sums for which reimbursement is requested;
 - (iv) the funds requisitioned are not greater than those necessary to meet obligations due to reimburse the Developer for Redevelopment Project Costs;
 - (v) the principal amount of Redevelopment Project Costs to be reimbursed in accordance with this Request for Reimbursement, together with all amounts reimbursed to the Developer pursuant to the Article V of the Development Agreement is not in excess of \$109,213,421.
 - (vi) the Developer is not in default under the Development Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under the Development Agreement.
5. Attached to this Request for Reimbursement is Schedule 1, together with copies of invoices, bills of sale, contractor’s sworn statement and Mechanic’s Lien Waivers covering all items for which reimbursement is being requested.

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

Sugar Grove LLC, a Limited Liability Company

Date: _____

By: _____

APPROVED:

Sugar Grove, an Illinois municipal Corporation

Date: _____

By: _____

DRAFT

These documents are preliminary drafts in which opinions are expressed or policies or actions are formulated, and are exempt from disclosure pursuant to the Illinois Freedom of Information Act, Section 7(1)(f), 5 ILCS 140/7(1)(f).

These documents are the property of Sugar Grove LLC and are proprietary, privileged, and/or confidential and contain trade secrets and/or commercial or financial information, the disclosure of which will cause competitive harm to Sugar Grove LLC, as provided in the Illinois Freedom of Information Act, Section 7(1)(g), 5 ILCS 140/7(1)(g). Any disclosure, distribution, copying, digital reproduction, digital transmitting, and sharing of these documents is strictly prohibited unless authorized in writing by Sugar Grove LLC.

MEMO

To: Matt Anastasia, Village of Sugar Grove
From: Geoffrey Dickinson, SB Friedman Development Advisors, LLC
(312) 383-2404, gdickinson@sbfriedman.com
Date: August 9, 2024

RE: **The Grove – Preliminary Project Financial Review**

Introduction

SB Friedman Development Advisors, LLC (SB Friedman) was engaged by the Village of Sugar Grove, Illinois (the "Village") to conduct a preliminary financial review of The Grove project (the "Project"), a proposed horizontal development of approximately 762 acres located near the intersection of I-88 and Sugar Grove Parkway (the "Site"). The Project consists of land development activities, including grading, roadway and infrastructure construction, and preparation of for-sale, development-ready pads (the "Pads" or singular "Pad") that will serve single-family residential, multifamily residential, commercial, and industrial uses.

The land that makes up the Site was acquired by Sugar Grove, LLC (the "Developer") during the 2000s. The Developer will conduct master planning/land development activities to prepare the Site for vertical development. Pads will then be sold to third party developers who will construct and sell/lease buildings.

DEVELOPER REQUEST FOR ASSISTANCE

The Developer has indicated that project feasibility is being challenged by extraordinary construction costs, particularly those related to the construction of roads and infrastructure through the Site. They have indicated that the current improved land market values in this part of Kane County are not high enough to support the significant infrastructure costs necessary to make the Site ready for vertical development.

The Developer is requesting Village financial assistance in the form of annual pay-as-you-go tax increment financing (TIF) funded reimbursements. The Developer estimates that there will be approximately \$109.2M in undiscounted TIF-eligible expenses they are requesting to be reimbursed by the Village through this structure. A TIF district eligibility study process, in accordance with the Illinois Tax Increment Allocation Redevelopment Act (the "Act"), is currently underway.

Data and Methodology

SB Friedman reviewed materials submitted by the Developer and engaged the Developer in subsequent conversations to obtain additional and updated information to best understand and, to the extent possible, validate underlying Project assumptions. The Developer provided the following documents for review:

- Project Site plan and permitted use table, dated July 2024.
- 20-year pro forma, including development budget, cash flow and project assumptions, dated January 2024

- Project incremental property tax projections and assumptions
- Parcel list for the Site
- Fiscal and Economic Impact Analysis prepared by RCLCO Real Estate Consulting for Sugar Grove, LLC dated April 12th, 2024 (the “RCLCO Study”)
- Historic tax bills for parcels comprising the Site

SB Friedman first evaluated the Developer’s incremental property tax projections by reviewing the reasonableness of key inputs and assumptions. Property tax projection models are dependent on a series of assumptions including taxable value per unit or per square foot of development, property tax rates, and absorption pace. Based on the Project information provided by the Developer, SB Friedman prepared independent TIF revenue projections. The Developer and Village reviewed these projections and agreed to use the SB Friedman projections as the basis for the returns analysis and subsequent negotiations.

After constructing the TIF revenue projections, SB Friedman evaluated the financial feasibility of the Project, both with and without Village financial assistance. We conducted a conceptual review of Project development costs, including an evaluation of the bases provided by the Developer for these estimates. We evaluated the appropriateness of the Developer’s Pad sales price assumptions by land use. SB Friedman evaluated absorption rates against historic data.

Specific data sources used in our analysis of the pro forma assumptions include:

- **CoStar.** Building characteristic and analytics data were evaluated, both regionally and in Kane County, to analyze industrial, multifamily, and retail land sales transactions, and the pace of absorption of new development.
- **Real Capital Analytics.** Transaction data were evaluated in and around Kane County to analyze market land sale prices by land use.
- **Third-Party Market Studies/Data Sources.** These data, including information from RealtyRates, PricewaterhouseCoopers, Zillow, and the National Association of Home Builders, were used to evaluate industrial, residential and retail market demand and validate revenue escalation assumptions.

SB Friedman incorporated findings from the research and analyses described above and information from the Developer’s pro forma into an independent financial model for the Project. SB Friedman used this model to adjust some of the Developer’s assumptions and evaluate overall Project feasibility (with and without TIF assistance). As part of the analysis, a SB Friedman derived a benchmark hurdle rate of return based on experience with comparable projects and industry data sources, including PricewaterhouseCoopers and RealtyRates.

The independent financial model was then used to conduct sensitivity tests, where inputs and level of public assistance were adjusted to evaluate impacts on Project returns.

Project Characteristics

The proposed Project, as presented in **Figure 1**, will consist of horizontal land development resulting in the Site being subdivided and sold as development-ready Pads. All Pads will be sold to third-party developers that will then construct and sell/lease vertical development on the Pads. Select land development activities to be completed by the Developer include, but are not limited to, mass grading, erosion and sedimentation control, sanitary sewer improvements, and roadway improvements and extensions. Based on the Developer’s concept plan, vertical development on the Site is separated into several areas, as presented in **Figure 2**.

Figure 1. The Grove Land Use Plan



Source: Developer, dated July 2024

Figure 2. The Grove Area Summary

Location	Gross Acreage [1]	Net Developable Area	Anticipated Vertical Development
Area 1	77.6	63.8	Residential
Area 2	315.8	171.6	Residential
Area 3	45.0	23.8	Commercial, Retail, Office, Civic, Residential
Area 4	244.1	183.5	Business Park
Area 5	78.6	61.5	Commercial, Retail, Office, Civic, Residential
Site Total	761.1	504.2	

[1] Gross acreage includes land area associated with right-of-way, stormwater facilities, parks and open space, and developable land.

Source: Developer, dated July 2024

The land development component includes infrastructure investment including the construction and improvement of roads and arterials, sanitary sewer, and water line extension, mass grading, and storm water management. This work includes improvements to Merrill Road and IL-47, as well as Denny Road and Seavey Road. The infrastructure costs also include expenses associated with roadway landscaping and bike and pedestrian paths. Plans also include a public park that will be centrally located within the Project. The Developer will make all park improvements before deeding to the Village or Park District.

PROJECT SCHEDULE

The Developer intends to begin infrastructure build out and other land development activities in 2024 with completion anticipated in 2037, accounting for current phasing assumptions. The Developer intends to begin selling off Pads in 2025 and finish in 2036. The pace of vertical development is anticipated to closely follow the Pad sales. However, the ultimate pace of vertical development is uncertain, given that it will be undertaken by yet to be identified third party developers.

PUBLIC BENEFITS

The proposed Project is anticipated to benefit the Village of Sugar Grove by creating jobs, generating additional tax revenue, and diversifying the Village's supply of housing. These benefits include, but are not limited to:

- **Municipal Facilities.** The Developer will construct water, sewer, and road infrastructure to serve the Village Hall, along with the rest of the Project. Additionally, the Developer will donate two acres of land for a 750,000-gallon water storage tank and future Village water treatment plant.
- **Construction Period Jobs.** According to the RCLCO Study, the Project and resulting vertical development are anticipated to support 6,390 construction jobs on site, as well as 2,447 indirect construction period jobs in other parts of the County. It is not clear if these jobs are full-time equivalent or not.
- **Permanent Jobs.** According to the RCLCO Study, the Project and resulting vertical development are anticipated to directly create 4,830 jobs including 4,609 on the Site itself in warehousing and distribution, recreation, restaurants, data centers, and health care. In addition, the Project and resulting vertical development are anticipated to create 221 indirect jobs at businesses that its future residents and employees will frequent.
- **Tax Base Growth.** The Project and resulting vertical development will generate additional sales and property tax revenues.
- **Economic Base Growth.** The Project and resulting vertical development will result in more customers for existing commercial businesses in the Village and will help attract new businesses to the Village.
- **Additional Housing.** Once buildings have been constructed, there will be an additional supply of housing in the Village, including a mix of single-family homes, attached townhomes, and multifamily rental apartments,

as well as age-targeted housing. According to RCLCO, the project will create “diversified housing to attract new residents and retain existing residents.”

- **Additional Shopping, Entertainment and Service Options.** At full build out the Project will offer new commercial offerings in Sugar Grove. Anticipated commercial end users include restaurants, entertainment, fitness, personal services, grocery, and pharmacy.
- **Town Center.** The Project’s development budget includes development costs associated with a new walkable and mixed-use Town Center with a Village Green (**Figure 3**) that will serve as community gathering place and location for public events.
- **Open Space.** The Project will provide no less than 10 acres of improved parks collectively within the Site. In addition, at full buildout not less than thirty percent (30%) of the Site shall be reserved and designated as open space, greenbelt, parks, buffers, easements, stormwater management, berms, and/or recreational facilities.
- **Flood Management.** The Project will include sitewide stormwater management and new landscaped stormwater management ponds to help mitigate downstream flooding conditions.

Figure 3: Village Town Center



Source: Developer

TIF Revenue Assumptions and Projections

SB Friedman reviewed the Developer's TIF revenue projections and prepared independent projections to evaluate the amount of incremental property taxes that could be available to support the Project through a public-private financing arrangement. The SB Friedman projections were used for the purpose of sizing financial assistance. Key differences between the Developer and SB Friedman projections are as follows:

- **Estimated base value.** SB Friedman estimated that the base value (in 2022 values) for Project parcels is \$600,146.
- **Tax rates.** SB Friedman prepared separate revenue projections for different parcels and their respective tax codes to account for different 2022 tax rates ranging from 9.372% to 9.436% depending on location.
- **Assessed value escalation.** The Developer's TIF revenue projections assumed that tax revenues would increase annually at a rate of 2.0%. SB Friedman's projections assumed that assessed values increase 2.0% annually. Because the tax rate is assumed to be held constant over the life of the TIF, property tax revenues are estimated to similarly increase by 2.0% annually.
- **School tuition payments and library reimbursements.** The Developer's TIF revenue projection model assumes a 28% set-aside of the incremental property taxes of non-age targeted residential development for reimbursements for school tuition payments and library reimbursements. SB Friedman assumed statutory maximum school district payments of 25% (of increment from all TIF-supported housing) or \$3.8 million annually on average, amounting to a total of \$95.9 million (undiscounted) over the life of the TIF district. SB Friedman also assumed the statutory maximum library district payments of 2% (of increment from TIF-support housing) or \$306,700 annually on average, amounting to a total of \$7.7 million (undiscounted) over the life of the TIF district.
- **Village collections.** The Developer assumed 10% of all incremental property taxes would go to the Village for administrative and other eligible costs. Following discussions with the Village, SB Friedman similarly assumed that the Village would retain 10% of TIF revenues before any Developer reimbursement payments are made.
- **Discount rate.** To calculate the present value (PV) of TIF revenues over time, the Developer used a 6.8% discount rate, based on conversations with the Village. SB Friedman similarly used a 6.8% discount rate for all PV calculations.
- **Equalized assessed value (EAV) assumptions.** SB Friedman used a comparables-based approach to estimate the EAV per square foot or unit for each land use in the Project. This approach is likely to account for tax exemptions, appeals and other adjustments made by the Assessor. SB Friedman identified a subset of comparable projects using third-party data sources, including CoStar. The differences between the Developer's EAV assumptions and SB Friedman's EAV assumptions are presented in **Figure 4**.

Figure 4. EAV Assumption Comparison (2023 Values)

Use	EAV per:	Developer Assumption	SBF Assumption
Business Park	Acre	\$206,272	\$244,000
Retail/Commercial	Acre	\$180,886	\$331,300
Fueling Station	Acre	\$199,208	\$88,800
Multifamily	Unit	\$23,502	\$52,000
60 Foot Lot Width Single Family Home	Unit	\$83,633	\$157,500
70 Foot Lot Width Single Family Home	Unit	\$99,314	\$172,500
51 Foot Lot Width Single Family Active Adult	Unit	\$62,725	\$145,500
65 Foot Lot Width Single Family Active Adult	Unit	\$78,406	\$157,500
Townhomes	Unit	\$47,043	\$118,500
Active Adult Duplex/Townhomes	Unit	\$52,270	\$124,500

Source: SB Friedman, Developer

TIF revenue projections, as prepared by the Developer and SB Friedman are summarized in **Figure 5** below.

Figure 5. Projected Undiscounted TIF Revenues

Projection	Gross TIF Proceeds	Estimated School District Payments	Estimated Library District Payments	Village 10% Hold Back	Net TIF Proceeds
Developer	\$416.4M	\$48.3M [1]	--	\$36.8M	\$331.3M
SB Friedman	\$481.3M	\$95.9 M	\$7.7M	\$37.8M	\$340.0 M

[1] Includes Library District reimbursements.

Source: Developer, SB Friedman

SB Friedman's adjustments to the TIF projections resulted in higher undiscounted net TIF revenues of \$340.0 million compared to the Developer's projection of \$331.3 million. The Developer and the Village accepted SB Friedman's projections and agreed to use SB Friedmans numbers for subsequent negotiations and analysis. As SB Friedman's projections exceed the Developer's projections, it appears that there is adequate TIF capacity from the proposed Project to meet the Developer's request for assistance. However, actual TIF revenues will depend on how the Project performs and how quickly it gets fully built out. The detailed TIF revenue projections prepared by SB Friedman are presented in **Figure A1** in the Appendix.

Developer Pro Forma Assumptions

COST ASSUMPTIONS

Figure 6 presents total development costs, by Project component, from the Developer's pro forma. The total development costs represent the Developer's total investment in the Project. Not all of the total development costs are eligible to be reimbursed with TIF. Cost estimates were provided by the Developer. SB Friedman evaluated the Developer's budget line items on a per square foot or per unit basis and as a percentage of total costs against estimates from comparable projects and SB Friedman's past experience. Roadway and infrastructure costs were evaluated by a qualified third-party engineering firm.

Land development costs—the single biggest expense category—include mass grading and site preparation, landscaping, public park and path improvements, stormwater management facilities, Village-owned water storage facilities and infrastructure, and improvements to public roads including Merrill Road, Seavey Road, Denny Road, and IL-47, along with associated soft costs and contingencies.

Figure 6: Land Development Budget

Development Costs	Developer Assumption [1]
Land Acquisition	\$21,655,520
Due Diligence	\$1,414,376
Construction Due Diligence	\$1,479,315
Construction Fees and Permits	\$73,349
Land Development Costs	\$132,228,926
Sales and Closing Costs	\$1,103,291
Broker Commission	\$2,410,256
Letter of Credit Fees	\$3,576,900
Marketing	\$2,817,866
Overhead	\$8,499,099
HOA Subsidy / Assessment	\$2,480,000
Real Estate Taxes	\$2,178,977
Legal	\$1,275,000
Insurance	\$800,000
TOTAL DEVELOPMENT COSTS	\$181,992,874

[1] Costs reflect Developer budget received January 2024. Costs are shown as incurred and therefore account for inflation over time. Not all costs are eligible to be reimbursed through TIF.

Source: Developer

Based on our high-level review, the Developer's budget assumptions generally appear to be reasonable.

REVENUE ASSUMPTIONS

SB Friedman reviewed the Developer's Pad sales price assumptions. SB Friedman aggregated land sale and benchmark data from various sources including prior project experience, CoStar, Real Capital Analytics, and the National Association of Home Builders. For each Pad, SB Friedman compared the Developer's assumptions to comparable land sales in the local market, evaluating price on one of three different metrics: per square foot of land, per Pad, or as a percentage of estimated building cost.

Based on SB Friedman's review of comparable land sales, the Developer's base land sale price assumptions appear to be reasonable for all of the land uses.

OTHER ASSUMPTIONS

Additionally, SB Friedman reviewed other assumptions in the Developer's cash flow including sale timing and revenue escalation. The following items were adjusted for the purpose of sizing public assistance:

- Cost Escalation.** The Developer's Project schedule assumes that the Pads will be prepared over a span of thirteen years (2024-2037) and sold over a period of twelve years (2025-2036). The Developer assumed an annual 5% escalation for development costs and an annual escalation of 4% for land sale proceeds. It is typical to assume a level of price escalation given natural inflation, market growth, and the land value premiums that will be generated after early phases of the overall project come online. However, based on SB Friedman's experience with similar projects, costs and revenues are typically assumed to escalate at the same rate. Therefore, for the purposes of this analysis, SB Friedman assumed that both development costs and land sale

proceeds would grow at 4% annually. This change resulted in a reduction in total development costs from 182.0M to \$177.9M over the full construction period.

TIF Eligible Costs

The Developer estimates approximately \$109.2M in undiscounted TIF-eligible costs. SB Friedman evaluated the Project's total TIF eligible costs. The Act only allows certain costs to be reimbursed with incremental property taxes. SB Friedman analyzed the estimated Project budget to identify costs eligible for reimbursement. Based on SB Friedman's review of the budget, the high-level categories in the Developer's calculation of TIF-eligible costs include hard costs, softs costs, and construction contingency and are likely to be eligible for TIF reimbursement based on Illinois statute. Specifically, the hard costs budget includes expenses related to mass grading and site preparation; public park space, paths, and amenities; water supply and storage; stormwater management; and improvements to public roads including Merrill Road, Seavey Road, Denny Road, and IL-47. **Figure 7** summarizes the Project's likely TIF eligible costs.

Figure 7: TIF Eligible Costs

From Development Costs [1]	Developer Assumption
TIF Formation Costs	\$200,000
Mass Earthwork and Drainage Improvements	\$26,202,388
Community Parks, Paths, Enhanced Landscaping/Hardscaping	\$8,680,000
Merrill Road	\$1,234,233
Denny Road	\$8,049,548
Route 47	\$16,059,542
Seavey Road	\$11,961,322
Town Center Roads and Utilities	\$2,066,954
Water System Improvements - Distribution Mains	\$11,067,469
Water System Improvements - 750,000 Gallon Tank	\$5,976,880
Water System Improvements - PRV/BP	\$1,719,955
Sanitary Sewer - Collection	\$1,775,988
Contingency [2]	\$14,219,142
TOTAL DEVELOPMENT COSTS	\$109,213,421

[1] Costs reflect Developer budget as shown in the draft Redevelopment Agreement dated August 2, 2024. Costs are shown as incurred and therefore account for inflation over time. Costs will need to be certified by the Village before they can be reimbursed.

[2] Contingency line item can only be reimbursed if it is actually spent and spent on TIF eligible costs.

Source: Developer

The Developer will be required to submit proof of eligible costs incurred and paid prior to the Village making reimbursement payments using incremental property taxes.

Need for Financial Assistance

REQUESTED ASSISTANCE

The Developer is requesting that the Village provide financial assistance to the Project in the form of interest-bearing notes, the total principal amount of all notes collectively to not exceed \$109.2M. Based on SB Friedman's review of the

budget, the high-level categories identified by the Developer are likely to be eligible for TIF reimbursement based on Illinois statute, though any costs will need to be certified by the Village before they can be reimbursed.

RETURN ANALYSIS

SB Friedman uses different return metrics to evaluate the need for financial assistance, depending on the project. In this case, SB Friedman evaluated the Project's need for assistance based on the unleveraged internal rate of return (IRR): the rate of return or discount rate for a project, accounting for initial expenditures to construct the Project and ongoing cash inflows, including any public assistance,

This metric evaluates overall Project feasibility, rather than returns to specific Project financing sources. The unleveraged IRR metric was used because financing term sheets from lenders were not made available. This metric is a more effective measure of Project viability at this stage.

SB Friedman analyzed the Project's need for financial assistance with and without the Developer's requested assistance. For both scenarios, SB Friedman adjusted the Developer's assumed annual cost escalations down to 4%, as described above. SB Friedman's TIF revenue projections were used for the sizing of the Developer assistance, which is expected to be provided through a pay-as-you-go structure. Otherwise, the scenarios reflect the Developer's pro forma assumptions, aside from how IRR is calculated.

IRR Calculation. SB Friedman calculated IRR over the period between 2024 and 2036. All remaining land development costs are anticipated to be incurred, and all Pads are expected to be sold, during this period. According to the Developer's pro forma, The Developer began acquiring land and conducting due diligence for the Project in 2001. The Developer thus calculated IRR from 2001 onwards. SB Friedman accepted all of the Developer's costs over the last two decades, but calculated returns as if all of these costs were incurred in 2024. This change ensures that returns aren't artificially reduced due to the extensive holding period, and better reflects returns if a different developer were to acquire the land and build the same Project today. Any revenues or public assistance going to the Project beyond 2036 were discounted back to 2036 for the purpose of the returns analysis.

SB Friedman's established a return benchmark range based on experience with comparable projects and industry sources, including PricewaterhouseCoopers and Realty Rates. SB Friedman's return analysis finds that without public assistance the Project would generate a negative IRR as revenues do not exceed expected Project costs. SB Friedman's return analysis finds that with the full requested TIF assistance the Project would achieve a 9.54% IRR. This level of return is near the bottom of the observed benchmark range.

Conclusions and Recommendations

Our analysis suggests that the Project requires the full requested TIF assistance in order to achieve financial feasibility. This appears to be driven by the high cost of preparing the Site for development, particularly the cost of building out the public infrastructure to serve the residential and commercial uses across the Project. The revenues associated with selling off the Pads are unable to fully cover the Site preparation costs. Per our analysis, when the Project receives the full TIF assistance requested by the Developer, the Developer achieves a modest return, at the low end of the benchmark range.

SB Friedman recommends that the Village provide any assistance through TIF funds on a pay-as-you-go basis. While providing up-front assistance—such as through general obligation (GO) bonds—results in the lowest cost of funds to the Village, this structure results in the greatest risk to the Village due to development and sale/lease-up risk. If a GO-backed bond is issued to finance land development activities and vertical development stalls or takes longer to occur

than anticipated, the Village's general fund and/or another Village source would be needed to make debt service payments. Any delay in development would also reduce the number of years in which incremental property taxes are captured by the TIF fund, again increasing the likelihood that Village's general obligation might be called upon to service the GO bonds.

Appendix

Figure A1: TIF Revenue Projections

TIF Year	Calendar Year	Gross Incremental Revenue	Less Max. Unit School District Reimbursement	Less Max. Library District Reimbursement	Village 10% Hold Back	Remaining Revenues to TIF Fund after Holdbacks [1]
0	2024	\$0	\$0	\$0	\$0	\$0
1	2025	\$0	\$0	\$0	\$0	\$0
2	2026	\$0	\$0	\$0	\$0	\$0
3	2027	\$0	\$0	\$0	\$0	\$0
4	2028	\$863,415	(\$215,854)	(\$17,268)	(\$63,029)	\$567,264
5	2029	\$3,625,840	(\$906,460)	(\$72,517)	(\$264,686)	\$2,382,177
6	2030	\$7,007,246	(\$1,751,812)	(\$140,145)	(\$511,529)	\$4,603,761
7	2031	\$11,424,469	(\$2,842,281)	(\$227,382)	(\$835,481)	\$7,519,325
8	2032	\$16,970,401	(\$4,018,804)	(\$321,504)	(\$1,263,009)	\$11,367,083
9	2033	\$19,064,815	(\$4,334,984)	(\$346,799)	(\$1,438,303)	\$12,944,729
10	2034	\$20,408,153	(\$4,421,905)	(\$353,752)	(\$1,563,250)	\$14,069,246
11	2035	\$21,542,151	(\$4,510,564)	(\$360,845)	(\$1,667,074)	\$15,003,668
12	2036	\$22,713,324	(\$4,600,996)	(\$368,080)	(\$1,774,425)	\$15,969,824
13	2037	\$25,417,115	(\$5,087,346)	(\$406,988)	(\$1,992,278)	\$17,930,503
14	2038	\$26,502,128	(\$5,189,318)	(\$415,145)	(\$2,089,767)	\$18,807,899
15	2039	\$27,491,758	(\$5,293,329)	(\$423,466)	(\$2,177,496)	\$19,597,467
16	2040	\$28,510,351	(\$5,399,420)	(\$431,954)	(\$2,267,898)	\$20,411,080
17	2041	\$29,081,634	(\$5,507,633)	(\$440,611)	(\$2,313,339)	\$20,820,051
18	2042	\$29,664,342	(\$5,618,010)	(\$449,441)	(\$2,359,689)	\$21,237,202
19	2043	\$30,258,704	(\$5,730,595)	(\$458,448)	(\$2,406,966)	\$21,662,695
20	2044	\$30,864,954	(\$5,845,432)	(\$467,635)	(\$2,455,189)	\$22,096,698
21	2045	\$31,483,328	(\$5,962,565)	(\$477,005)	(\$2,504,376)	\$22,539,382
22	2046	\$32,114,070	(\$6,082,041)	(\$486,563)	(\$2,554,547)	\$22,990,919
23	2047	\$32,900,026	(\$6,203,907)	(\$496,313)	(\$2,619,981)	\$23,579,826
24	2048	\$33,413,651	(\$6,328,209)	(\$506,257)	(\$2,657,918)	\$23,921,266
[2]		\$481,322,000	(\$95,851,000)	(\$7,668,000)	(\$37,780,000)	\$340,022,000

[1] Net incremental revenues after statutory reimbursements and holdbacks to be shared between the Developer and the Village as per the terms of a Redevelopment Agreement.

[2] Undiscounted total incremental revenues and reimbursements.

Source: SB Friedman

Limitations of our Engagement

Our deliverables are based on estimates, assumptions and other information developed from research of the market, knowledge of the industry, and meetings/teleconferences with the Village and developers during which we obtained certain information. The sources of information and bases of the estimates and assumptions are stated in the deliverable. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our report, and the variations may be material.

The terms of this engagement are such that we have no obligation to revise analyses or the deliverables to reflect events or conditions that occur subsequent to the date of the deliverable. These events or conditions include, without limitation, economic growth trends, governmental actions, changes in state statute or village ordinance, additional competitive developments, interest rates, and other market factors. However, we will be available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project.

Our deliverables are intended solely for your information, for purposes of reviewing a request for financial assistance, and do not constitute a recommendation to issue bonds or other securities. The report should not be relied upon by any other person, firm or corporation, or for any other purposes. Neither the report nor its contents, nor any reference to our Firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan, or other agreement or document intended for use in obtaining funds from individual investors without our prior written consent.

We acknowledge that upon submission to the Village of Sugar Grove, the report may become a public document within the meaning of the Freedom of Information Act. Nothing in these limitations is intended to block the disclosure of the documents under such Act.