

HOFFMAN ESTATES

GROWING TO GREATNESS

June 29, 2015

TO: ALL TAXING DISTRICTS ON ATTACHED LIST

FROM: RACHEL MUSIALA, DIRECTOR OF FINANCE

SUBJECT: BARRINGTON-HIGGINS TIF DISTRICT ANNUAL REPORT

In accordance with 65 ILCS 5/11-74.4-5-(d), the Village of Hoffman Estates is transmitting to all affected taxing districts the 2014 Annual Report of the Barrington-Higgins Tax Increment Financing District. This TIF was created in November, 1986 and will expire on December 1, 2021.

Please be advised the Village will soon be declaring as surplus funds the \$401,690.86 received thus far. This sum will be returned to the Cook County Treasurer for distribution to all affected taxing districts.

Any questions regarding this report can be directed to my attention.

Rachel Musiala
Director of Finance

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

BARRINGTON-HIGGINS TIF DISTRICT

ANNUAL REPORT

DISTRIBUTION LIST

COOK COUNTY CLERK'S OFFICE

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Chicago, IL 60602
d.orr@cookcountyil.gov

SCHAUMBURG TOWNSHIP

One Illinois Blvd
Hoffman Estates, IL 60169
Rich Osten, Director of Finance
rosten@schaumburgtownship.org
Mary Wroblewski, Supervisor
mwroblewski@schaumburgtownship.org

**NORTHWEST MOSQUITO ABATEMENT
DISTRICT**

147 West Hintz Road
Wheeling, IL 60090
Mike Szyska, Director & CFO
mszyska@nwmadil.com

FOREST PRESERVE DISTRICT OF COOK COUNTY

536 N. Harlem Avenue
River Forest, IL 60305
Arnold Randall, General Superintendent
arnold.randall@cookcountyil.gov

**METROPOLITAN WATER RECLAMATION
DISTRICT**

100 East Erie Street
Chicago, IL 60611
Eileen McElligott, Administrative Services Manager
Eileen.mcelligott@mwr.org
Joseph P. Neubauer, Budget Officer
joseph.neubauer@mwr.org

HOFFMAN ESTATES PARK DISTRICT

1685 West Higgins Road
Hoffman Estates, IL 60169
Dean Bostrom, Executive Director
dbostrom@heparks.org
Craig Talsma, Deputy Director/ Finance
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**PALATINE-SCHAUMBURG HIGH SCHOOL
DISTRICT #211**

1750 S. Roselle Road
Palatine, IL 60067
Daniel Cates, Superintendent
dcates@d211.org
Lauren Hummel, Chief Operating Officer
lhummel@d211.org

SCHAUMBURG TOWNSHIP DISTRICT LIBRARY

130 South Roselle Road
Schaumburg, IL 60193
Stephanie Sarnoff, Library Director
Sarnoff@stdl.org

HARPER COLLEGE DISTRICT #512

1200 W. Algonquin Road
Palatine, IL 60067
Ron Ally, Exec. V.P. of Finance/Adm Svcs.
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COMMUNITY SCHOOL DISTRICT #54

524 E. Schaumburg Rd
Schaumburg, IL 60194
Ric King, Asst. Superintendent of Business Services
RicKing@sd54.org
Andrew DuRoss, Superintendent
andyduross@sd54.org

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BARRINGTON-HIGGINS TIF DISTRICT
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014
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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BARRINGTON-HIGGINS TIF DISTRICT
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014
REDEVELOPMENT PLAN AMENDMENTS

During the fiscal year ended December 31, 2014, the Village Board approved a revised Redevelopment Plan and a new Redevelopment Agreement for the redevelopment of two vacant restaurant properties. A copy of the revised Redevelopment Plan and Project is attached.



HOFFMAN ESTATES

Office of the Village Clerk

Bev Romanoff
Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF COOK AND KANE)

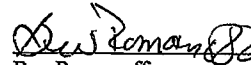
CERTIFICATE

I, Bev Romanoff, Village Clerk of the Village of Hoffman Estates, in the Counties of Cook and Kane and the State of Illinois, DO HEREBY CERTIFY that the annexed and foregoing is a true and correct copy of the following document now on file:

Ordinance No. 4455-2014 approving Amendment Number 4 to the Barrington Higgins District Tax Increment Redevelopment Plan and Project, was passed by the Board of Trustees at a regular meeting on November 3, 2014.

I, FURTHER CERTIFY that the original document, of which the foregoing is a true copy, is entrusted to my care for safe keeping, and that I am the lawful keeper of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of Hoffman Estates aforesaid, at the said Village, in the Counties of Cook and Kane and the State of Illinois, aforesaid, this 3rd day of November, 2014.


Bev Romanoff
Village Clerk



HOFFMAN ESTATES

Office of the Village Clerk

Bev Romanoff
Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF COOK AND KANE)

CERTIFICATE

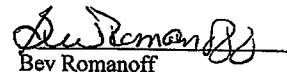
I, Bev Romanoff, certify that I am the duly appointed Municipal Clerk of the Village of Hoffman Estates, Cook and Kane Counties, Illinois.

I further certify that on November 3, 2014 the Corporate Authorities of such municipality passed Ordinance No. 4455-2014 entitled

An ordinance approving Amendment Number 4 to the Barrington Higgins District Tax Increment Redevelopment Plan and Project.

The pamphlet form of Ordinance No. 4455-2014 such ordinance was posted in the municipal building, commencing on November 6, 2014, and continuing for at least ten days thereafter. Copies of such ordinance were also available for public inspection upon request in the office of the Municipal Clerk.

DATED at Hoffman Estates, Illinois this 3rd day of November, 2014.


Bev Romanoff
Village Clerk

VILLAGE OF HOFFMAN ESTATES

AN ORDINANCE APPROVING AMENDMENT NUMBER 4
TO THE BARRINGTON HIGGINS DISTRICT TAX INCREMENT
REDEVELOPMENT PLAN AND PROJECT

WHEREAS, the Village of Hoffman Estates, Cook and Kane Counties, Illinois (the "Village") adopted tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, as amended, constituting Division 74.4 of Article 11 of the Illinois Municipal Code (the "Act") in order to implement a redevelopment plan and project as described in the document entitled "The Village of Hoffman Estates 1986 Barrington Higgins District Tax Increment Redevelopment Plan and Project" adopted by Ordinance No. 1806-1986 for the Redevelopment Project Area described in Exhibit A to this Ordinance, within the municipal boundaries of the Village; and

WHEREAS, the Village has since amended the 1986 redevelopment plan by adoption of Ordinance Nos. 2890-1997, 3102-1999 and 4157-2009 (as so amended, the "Redevelopment Plan"); and

WHEREAS, the President and Board of Trustees of the Village (the "Corporate Authorities") have reviewed the study prepared by S. B. Friedman & Company entitled "Barrington Higgins District Tax Increment Redevelopment Plan and Project - Amendment: Number 4", dated August 6, 2014 (the "Plan Amendment"), setting forth certain proposed amendments to the Redevelopment Plan; and

WHEREAS, pursuant to the Act, the Corporate Authorities desire to amend the Redevelopment Plan by adoption and approval of the Plan Amendment; and

WHEREAS, the implementation of the Plan Amendment will not result in displacement of residents from inhabited units and at all relevant times prior to the adoption of this Ordinance, there have been no residential addresses located within 750 feet of the boundaries of the Redevelopment Project Area; and

WHEREAS, the Plan Amendment sets forth a program to be undertaken to accomplish the objectives of the Village by authorizing an increase in the estimated redevelopment costs proposed for the Redevelopment Project Area, the addition of new project cost categories to the itemized list of redevelopment project costs as originally set out in the Redevelopment Plan and the addition of certain provisions now required by amendments to the Act that occurred since the initial designation of the Redevelopment Project Area in 1986; and

WHEREAS, the Redevelopment Plan, as amended by the Plan Amendment, will constitute the "redevelopment plan" and "redevelopment project" for the Redevelopment Project Area, as such terms are defined in the Act; and

WHEREAS, pursuant to section 11-74.4-5(a) of the Act, prior to the adoption of an ordinance proposing the Plan Amendment, the Village caused the following actions to be taken: on August 6, 2014, the proposed Plan Amendment was placed on file with the Village Clerk; on August 19, 2014, copies of the proposed Plan Amendment were sent by certified mail to the taxing districts having the power to tax real property in the Redevelopment Project Area; and on August 22, 2014, notice was published in the *Daily Herald* indicating that interested persons may register with the Village in order to receive information on the proposed Plan Amendment; and

WHEREAS, pursuant to section 11-74.4-5(b) of the Act, the Village convened a joint review board ("Joint Review Board") to consider the Plan Amendment, and such Joint Review Board met as required by the Act and reviewed the public record, planning documents and the criteria for plan amendments set forth in the Act and then adopted and transmitted to the Corporate Authorities its recommendation to approve the Plan Amendment; and

WHEREAS, pursuant to section 11-74.4-5(a) of the Act, the Village Board by ordinance called for a public hearing (the "*Hearing*") relative to the approval of the Plan Amendment, and fixed the time and place for such Hearing on October 6, 2014, at 6:45 p.m. in the Village Hall located at 1900 Hassell Road, Hoffman Estates, IL 60169; and

WHEREAS, pursuant to section 11-74.4-6(a) of the Act, due notice with respect to such Hearing was given by certified mail to taxpayers within the proposed Area on September 11, 2014, and by publication in the *Daily Herald* on September 11, 2014 and September 18, 2014; and

WHEREAS, pursuant to section 11-74.4-6(b) of the Act, due notice with respect to such Hearing was given by certified mail on August 19, 2014, and such notice, together with a copy of the Redevelopment Project and Plan, and the name of a person to contact for information, was given to the Taxing Districts and to the Department of Commerce and Economic Opportunity ("DCEO") and included an invitation to the Taxing Districts and DCEO to submit comments to the Village concerning the subject matter of the Hearing; and

WHEREAS, the Village held the Hearing at the time and place fixed in the ordinance calling for same, and at the Hearing, any interested persons and the Taxing Districts were permitted to file with the Village Clerk written objections and was heard orally in respect to any issues embodied in the notice of said Hearing, and the Village heard and determined all protests and objections at the Hearing, and the Hearing was adjourned on October 6, 2014; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the Redevelopment Project Area to determine whether further private development would take place in the Redevelopment Project Area as a whole without the adoption of the proposed Plan Amendment; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to real property in the Redevelopment Project Area to determine whether contiguous parcels of real property and improvements thereon in the Redevelopment Project Area would be benefitted by the project improvements to be undertaken pursuant to the Plan Amendment.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS, as follows:

Section 1: Incorporation of Recitals. The foregoing recitals to this Ordinance are incorporated in this Ordinance as if set out in full by this reference.

Section 2: Findings. The Corporate Authorities hereby make the following findings:

(a) The area constituting the Redevelopment Project Area is legally described in Exhibit A attached to this Ordinance and incorporated herein. The street location (as near as practical) of the Redevelopment Project Area is the area generally bounded by Higgins Road to the north, Old Higgins Road to the south, Moon Lake Boulevard to the east, and North Barrington Road to the west. The map of the Redevelopment Project Area is attached as Appendix C to the Plan Amendment, the Plan Amendment being attached to this Ordinance as Exhibit B and is incorporated herein.

(b) There exist conditions which cause the area Redevelopment Project Area to be classified as a redevelopment project area under the Act and to be classified as a "blighted area", as defined in section 11-74.4-3(a) of the Act.

(c) The Redevelopment Project Area as a whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed in accordance with the public goals stated in the Redevelopment Plan without the adoption of the Plan Amendment.

(d) The Plan Amendment conforms to the comprehensive plan for the development of the Village as a whole.

(e) The parcels of real property in the Redevelopment Project Area are contiguous, contain not less than one and one-half acres, and only those contiguous parcels of real property and improvements thereon which will be substantially benefitted by the proposed redevelopment project improvements are included in the Redevelopment Project Area.

(f) As set forth in the Plan Amendment and in testimony at the Hearing, the estimated date of completion of the redevelopment project is not later than December 31, 2021.

(g) The estimated date of the retirement of all obligations incurred to finance redevelopment project costs is not later than December 31, 2021.

(h) The findings made in Ordinance No. 1809-1986 are hereby remade as of the date hereof.

Section 3: Approval of Plan Amendment. The Plan Amendment which was the subject matter of the Hearing held on October 6, 2014, is hereby adopted and approved. A copy of the Plan Amendment is set forth in Exhibit B attached hereto and incorporated herein as if set out in full by this reference.


Section 4: Invalidity of Any Section. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 5: Effective Date. This Ordinance shall be in full force and effect immediately from and after its passage and approval.

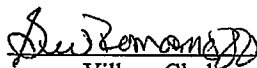
PASSED THIS 3rd day of November, 2014

VOTE	AYE	NAY	ABSENT	ABSTAIN
Trustee Karen V. Mills	<u>X</u>	_____	_____	_____
Trustee Anna Newell	<u>X</u>	_____	_____	_____
Trustee Gary J. Pilafas	<u>X</u>	_____	_____	_____
Trustee Gary G. Stanton	<u>X</u>	_____	_____	_____
Trustee Michael Gaeta	<u>X</u>	_____	_____	_____
Trustee Gayle Vandenberg	<u>X</u>	_____	_____	_____
Mayor William D. McLeod	<u>X</u>	_____	_____	_____

APPROVED THIS 3rd DAY OF November, 2014


Village President

ATTEST:


Village Clerk

Published in pamphlet form this 6th day of November, 2014.

EXHIBIT A

LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA

All that part of the Northwest Fractional 1/4, of Section 7, in Township 41 North, Range 10, East of the Third Principal Meridian, lying southerly of the 240 foot wide right of way of State Route No. 72 and lying northerly of the center line of Old Higgins Road, as it is now constructed and travelled,' (also excepting therefrom the west 50 feet of said Section 7, being the right of way of Barrington Road, as now dedicated), (also excepting therefrom a tract of land heretofore conveyed to Harvey Bierman and described as follows: beginning at the intersection of the north line of Old Higgins Road and the east line of Barrington Road; thence northerly along the east line of Barrington Road 201.20 feet; thence easterly 201.20 feet; thence south 231.76 feet to the north line of Old Higgins Road; thence northwesterly along the north line of Old Higgins Road, 203.51 feet to the place of beginning, in the northwest 1/4, of Section 7, Township 41 North, Range 10, east of the Third Principal Meridian, in Cook County, Illinois, and also excepting that part condemned by the Department of Transportation in Case No. 84 L 052729, and also excepting: beginning at a point 50.0 feet east (as measured at right angles thereto from the west line of said fractional northwest 1/4, said point beginning, lying 404.24 feet south from the north line of said northwest fractional 1/4, and being the intersection of the east right of way line of Barrington Road and the southwesterly right of way line of Higgins Road (Route No. 72); thence southeasterly along the southwesterly right of way line of Higgins Road, 94.36 feet to a point of curvature in said line; thence continuing along said right of way line of a curve to the left having a radius of 9968.18 feet a distance of 160.64 feet; thence southwesterly, a distance of 99.56 feet to a point on a line drawn 130.0 feet east of and at right angles to the east right of way line of Barrington Road at a point lying 240.0 feet south from the point of beginning; thence west 150.0 feet on said line drawn at right angles to the said east right of way line of Barrington Road to said point lying 240.0 feet south from point of beginning; thence north on said east right of way line of Barrington Road, a distance of 240.00 feet to the point of beginning all in Schaumburg Township, in Cook County, Illinois.

EXHIBIT B
PLAN AMENDMENT NUMBER 4



Village of Hoffman Estates

**Barrington Higgins District
Tax Increment Redevelopment Plan and Project**

**Adopted December 22, 1986
Amendment Number: 4**

August 6, 2014



Introduction

To induce redevelopment pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended from time to time (the "Act"), the Board of Trustees of the Village of Hoffman Estates (the "Village") adopted ordinances on December 22, 1986 designating the Barrington Higgins Tax Increment Financing District ("Redevelopment Project Area," "RPA" or "TIF District") under the Act, and adopting a Tax Increment Redevelopment Plan and Project (the "Original Plan") allowing the TIF District to qualify for Tax Increment Financing ("TIF") under the Act.

Since the Original Plan's adoption, three ordinances have been passed to: amend descriptions; extend the duration of the Redevelopment Plan and Project to December 1, 2021; extend the maturity date of obligations; and add additional points of clarification. These ordinances are:

- Ordinance No. 4157-2009;
- Ordinance No. 3102-1999; and
- Ordinance No. 2890-1997.

The purpose of this amendment is not to reassess eligibility but rather update the Redevelopment Plan and Project that guides the use of TIF in this area. In particular, this amendment functions to update the language regarding eligible redevelopment costs and the estimated redevelopment project costs. The TIF budget is being amended and increased so that the Village can effectively support additional projects within the RPA, including payments to developers as reimbursement for costs incurred for site rehabilitation of existing vacant structures and property assembly, demolition and site prep costs. Without increasing the budget, the Village is unlikely to be able to provide financial or other assistance to encourage the private sector to undertake redevelopment and other improvements that are consistent with the goals of this Redevelopment Plan.

This amendment also adds certain language in light of amendments to the Act that have occurred since the initial district designation. Changes due to amendments include but are not limited to: references to a housing impact analysis, eligible cost categories, and required tests and findings.

Modifications to Plan

Each of the changes to the Redevelopment Plan and Project is detailed below, following the format of the Original Plan inclusive of changes set forth in Amendments Number 1, 2 and 3 (the "Amended Plan"). New sections and subsections have been inserted where applicable. Bracketed numbers [1-33] correspond to handwritten notes in the attached Annotated Amended Plan in Appendix A and are to be used to facilitate tracking changes throughout the document.

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Replace Table of Contents with the following text:

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- V. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA
- VI. REDEVELOPMENT PLAN AND PROJECT OBJECTIVES
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- IX. REDEVELOPMENT PLAN AND PROJECT FINANCING
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 - Most Recent Equalized Assessed Valuation of Real Property in the Redevelopment Project Area
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- X. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION
- XI. TERMINATION OF THE REDEVELOPMENT PLAN
- XII. AMENDMENT OF THE REDEVELOPMENT PLAN
 - Appendix A (Annotated Amended Plan)
 - Appendix B (Legal Description)
 - Appendix C (RPA Boundary)
 - Appendix D (Proposed Future Land Use Map)

I. INTRODUCTION

[1] Insert the following sentence after the third sentence in the first paragraph:

Additionally, in November 2009, the Board of Trustees passed Ordinance No. 4157-2009 to extend (1) the Redevelopment Plan and Project to December 1, 2021, and (2) the maturity date of the obligations.

[2] Replace the second paragraph with the following text:

The Village now wishes to amend the Redevelopment Plan and Project to update the language regarding eligible redevelopment costs and the estimated redevelopment project costs. This amendment also adds certain language in light of amendments to the Act that have occurred since the initial district designation. Changes due to amendments include but are not limited to: references to a housing impact analysis, required tests and findings and eligible cost categories including site marketing and increased costs to school and library districts.

[3] Replace the third sentence of the third paragraph with the following text:

From a population of 8,265 in 1960, the Village grew to a 1990 population of 46,363, and has further grown to a population of 51,895, as of the most recent 2010 Census count.

II. GENERAL GOALS

[4] Replace the second and third sentences in the second paragraph with the following text:

These overarching goals are consistent with subsequent comprehensive plans developed in 1989 and 2007.

III. EVIDENCE OF LACK OF DEVELOPMENT AND GROWTH WITHIN REDEVELOPMENT PROJECT AREA AND ASSESSMENT ON AFFECTED TAXING DISTRICTS

[5] Insert the following text at the end of the second paragraph:

The Village intends to monitor development in the area and, with the cooperation of the affected taxing districts, work to address any increased needs in connection with any particular development. The following major taxing districts presently levy taxes on properties within the RPA:

- Cook County
- Consolidated Elections
- Cook County Forest Preserve District
- Schaumburg Township
- General Assistance Schaumburg Township
- Road and Bridge Schaumburg Township
- Village of Hoffman Estates
- Schaumburg Township School District 54
- Palatine Township High School District 211
- Harper Community College District 512
- Hoffman Estates Park District
- Schaumburg Township Public Library District
- Metropolitan Water Reclamation District of Greater Chicago
- Northwest Mosquito Abatement District

IV. TAX INCREMENT FINANCING REDEVELOPMENT

Boundary Description

[6] Delete the third and fourth sentences in the first paragraph.

[7] Insert the following sentence after the fourth sentence in the first paragraph:

The legal description of the Redevelopment Project Area, which consists of 22 acres, is included in Appendix B and is shown on Map 1 in Appendix C.

V. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

No changes.

VI. REDEVELOPMENT PLAN AND PROJECT OBJECTIVES

[8] Replace first paragraph with the following text:

The overall goal of this TIF Eligibility Study and Redevelopment Plan and Project is to reduce or eliminate conditions that qualify the RPA as a blighted area. Likewise, this Redevelopment Plan and Project is intended to: 1) provide the direction and mechanisms necessary to establish the RPA as a vibrant commercial area; 2) stimulate the redevelopment of vacant and underutilized parcels; and 3) provide public facilities and utilities. Redevelopment of the RPA will strengthen the economic base and enhance the quality of life of the Village as a whole by adding jobs to the local economy.

Development of the RPA is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment. The underlying strategy is to use Tax Increment Financing, as well as other funding sources, to reinforce and encourage new private investment.

[9] Create new subsection entitled "Objectives," and add the following text beneath the subheading:

Five (5) objectives support the overall goal of area-wide revitalization of the RPA. These objectives include:

1. Foster the construction and/or improvement of the public infrastructure, where needed, including public utilities, sidewalks, streets, curbs, gutters, underground water and sanitary systems and physical plants, and stormwater detention of adequate capacity to create an environment conducive to private investment;
2. Facilitate and encourage the construction and rehabilitation of retail and commercial properties with the RPA, including site preparation where necessary;
3. Facilitate the assembly, preparation and marketing of available sites in the RPA for new retail and commercial uses, as allowed by the Act;
4. Provide resources for streetscaping, landscaping and signage to improve the image, attractiveness and accessibility of the RPA, create a cohesive identity for the RPA and surrounding area, and provide, where appropriate, for buffering between different land uses and screening of unattractive service facilities, such as parking lots and loading areas; and

5. Support the goals and objectives of other overlapping plans, including the Village's 2007 Comprehensive Plan, and coordinate available federal, state and local resources to further the goals of this Redevelopment Plan and Project.

[10] Create new subsection entitled "**Development Strategies/Redevelopment Activities,**" and add the following text beneath the subheading:

These objectives will be implemented through five (5) specific and integrated strategies. These include the following:

1. Implement Public Improvements

A series of public improvements throughout the Barrington Higgins RPA may be designed and implemented to help redefine and improve the character of the area, prepare sites for anticipated private investment, and to create an environment that is more conducive to private development. Public improvements that are implemented with TIF assistance are intended to complement, and not replace, existing funding sources for public improvements in the RPA.

These public improvements may include the construction, rehabilitation, renovation or restoration of public improvements on one or more parcels.

2. Encourage Private Sector Activities and Rehabilitation of Existing Buildings

Through the creation and support of public-private partnerships, or through written agreements, the Village may provide financial and other assistance to encourage the private sector, including local property owners and businesses, to undertake new construction projects and rehabilitation that are consistent with the goals of this Redevelopment Plan and Project.

The Village may enter into redevelopment agreements with private entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

3. Redevelop Vacant and Underutilized Sites

The redevelopment of vacant and underutilized properties within the RPA is expected to stimulate private investment and increase the overall taxable value of properties within the RPA. Development of vacant and/or underutilized sites is anticipated to have a positive impact on other properties beyond the individual project sites.

4. Facilitate Property Assembly, Demolition and Site Preparation

Financial assistance may be provided to private developers seeking to acquire land, and to assemble and prepare sites to undertake projects in support of this Redevelopment Plan and Project. This may include any reimbursement for the aforementioned costs incurred by a developer.

To meet the goals of this Redevelopment Plan and Project, the Village may acquire and assemble property throughout the RPA. Land assemblage by the Village may be by purchase, exchange, donation, lease, eminent domain, or through other programs, and

may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements, environmental remediation, grading, and soils mitigation, where appropriate. Furthermore, the Village may require written development agreements with developers before acquiring any properties. As appropriate, the Village may devote acquired property to temporary uses until such property is scheduled for disposition and development.

5. Assist Employers Seeking to Relocate or Expand Facilities

The Village may provide assistance to businesses and institutions which seek to relocate to or expand within the Barrington Higgins RPA. This assistance may be provided through support of redevelopment and rehabilitation projects in existing buildings, assistance with land acquisition and site preparation for new facilities, or assistance with financing costs.

[11] In the subheading, **D. Criteria for Redevelopment**, remove bullet point labeled “D.” No additional changes.

[12] In the subheading, **E. Proposed Land Use Plan**, replace bullet point labeled “E” with Roman numeral “VII” to make this a primary heading.

[13] Replace first paragraph of **E. Proposed Land Use Plan** with the following text:

At the time of designation, the Redevelopment Project Area consisted of unimproved vacant land, substantially within a flood plain, and subject to chronic flooding. The future land use of the RPA reflects the objectives of this Redevelopment Plan and Project, which are to support the improvement of the RPA as an active retail and commercial district and to support other improvements that serve the redevelopment interests of the local community, business owners and the Village. The proposed objectives are compatible with historic land use patterns, permitted in accordance with the applicable Zoning Ordinances and support current development trends in the area and the Village’s Comprehensive Plan. The proposed land uses are detailed on **Map 2** in Appendix D. These land uses include retail, commercial and service uses, as described below, or allowed by special permit, under the Village’s B-2 zoning district.

[14] Under **Other Uses**, in the first paragraph, replace the word “ancillary” with the word “complementary.”

[15] Delete all text beginning from “**F. Specific Project Proposed in Redevelopment Area**” to the end of the section.

[16] Create a section at the end of the new **Section VII. Proposed Land Use Plan** entitled “**VIII. HOUSING IMPACT AND RELATED MATTERS.**” Add the following text beneath the section heading:

As set forth in the Act, if the redevelopment plan for the redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the Redevelopment Plan and Project.

The project area does not contain any residential units. Thus, a housing impact study is not required by the Act.

[17] Create a new section at the end of **Section VIII. Housing Impact and Related Matters** entitled **"IX. REDEVELOPMENT PLAN AND PROJECT FINANCING."** This new section will consolidate the following sections from the Amended Plan as subsections. Subsection headings have changed as follows:

Section Heading in Amended Plan	New Subsection Heading
Estimated Redevelopment Project Costs	Eligible Redevelopment Project Costs
Redevelopment Costs	Estimated Redevelopment Costs
Sources of Funds to Pay for Redevelopment Project costs	No change
Issuance of Obligations to Pay for Redevelopment	No change
Most Recent Equalized Assessed Valuation of Real Property in the Redevelopment Area	No change
Anticipated Equalized Assessed Valuation	No change

VII. ESTIMATED REDEVELOPMENT PROJECT COSTS

[18] Include as subsection of **Section IX. Redevelopment Plan and Project Financing.** Remove Roman numeral in heading. Rename subsection as **Eligible Redevelopment Project Costs.**

[19] Replace all text with the following:

The TIF Act outlines several categories of expenditures that can be funded using Tax Increment Financing. These expenditures, referred to as eligible redevelopment project costs, include all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan pursuant to the TIF Act. The Village proposes to realize its goals and objectives of redevelopment through public finance techniques including, but not limited to, Tax Increment Financing, and by undertaking certain activities and incurring certain costs. Some of the costs listed below are eligible costs under the Act pursuant to an amendment to the Act that became effective November 1, 1999. Such eligible costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the Redevelopment Plan, including but not limited to, staff and professional service costs for architectural, engineering, legal, financial,

planning or other services, related hard and soft costs, and other related expenses, provided however, that no such charges for professional services may be based on a percentage of the tax increment collected;

2. Marketing sites within the area to prospective businesses, developers and investors, provided however, that no such charges for professional services may be based on a percentage of the tax increment collected;
3. Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, clearing and grading of land, site preparation, and site improvements, and specifically including payments to developers or other nongovernmental entities as reimbursement for property assembly costs incurred by that developer or other nongovernmental entities;
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings, fixtures and leasehold improvements, and specifically including payments to developers or other nongovernmental entities as reimbursement for costs incurred by that developer or other nongovernmental entities;
5. Costs of the construction of public works or improvements consistent with the Act, including the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
6. Costs of job training and retraining projects, including the costs of "welfare to work" programs implemented by businesses located within the Redevelopment Project Area;
7. Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder, including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months thereafter, and including reasonable reserves related thereto and interest accruing during a construction period;
8. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the municipality by written agreement accepts and approves such costs;
9. An elementary, secondary or unit school district's increased costs attributable to assisted housing units, as provided in the Act;

10. A library district's increased per patron costs attributable to net new persons eligible to obtain a library card living in assisted housing units, as further defined in the Act;
11. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law, or under the Act;
12. Payment in lieu of taxes;
13. Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Redevelopment Project Area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and taxing district(s), which describes the program to be undertaken, including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by the community college district(s) of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public and Community College Act as cited in the Act and by the school districts of cost pursuant to Section 10-22.20a and 10-23.3a of the School Code as cited in the Act; and
14. Interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b. Such payments in any one (1) year may not exceed 30% of the annual interest costs incurred by the developer with regard to the development project during that year;
 - c. If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (14), then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - d. The total of such interest payments paid pursuant to the Act may not exceed 30% of the total of: (i) cost paid or incurred by the developer for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;

- e. The percentage increases from 30% to 75% for the interest cost incurred by a developer for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act; and
- f. Instead of the interest costs described above in paragraphs 14b. and 14d., a municipality may pay from tax incremental revenues up to 50% of the cost of construction, renovation and rehabilitation of new housing units (for ownership or rental) to be occupied by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, as more fully described in the Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act.

Unless explicitly stated in the Act, and as provided for in relation to low- and very low-income housing units, the cost of construction of new privately owned buildings shall not be an eligible redevelopment project cost.

If a special service area is established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the Redevelopment Project Area for the purposes permitted by the Special Service Area Tax Act, as well as the purposes permitted by the Act.

No funds will be paid to reimburse land acquisition costs until there is site plan approval for the subject acreage and the portion of the site necessary to serve the subject acreage.

Redevelopment Costs

[20] Include as subsection of **Section IX. Redevelopment Plan and Project Financing**. Rename subsection as **Estimated Redevelopment Project Costs**.

[21] Replace the entire subsection with the following:

The estimated eligible costs of this Redevelopment Plan and Project are shown in **Table 1**. The costs represent estimated amounts and do not represent actual Village commitments or expenditures. Rather, the total eligible cost provides an upper limit on expenditures that may be funded using incremental property tax revenues, exclusive of capitalized interest, issuance costs, interest and other financing costs. Other sources of funds may also be used to defray costs within the district. Additional funding including, but not limited to, state and federal grants, private developers' contributions, land sales, sales taxes, and other outside sources may be pursued and used by the Village as a means of financing improvements and facilities within the RPA. These expenditures may be in addition to those funded from tax increment revenues, and may be in addition to the budget shown in **Table 1**, which limits expenditure of incremental property tax only.

The Village of Hoffman Estates' Redevelopment Project costs include, but shall not exceed, the sum total of all reasonable and necessary costs incurred, and any such costs incidental to the Redevelopment Plan and Project, including those in the table below.

Table 1. Estimated Redevelopment Project Costs

Item	Estimated Project Costs
Costs of studies, including staff and professional service costs	\$ 650,000
Property assembly, demolition and site prep costs	\$ 4,750,000
Costs of building rehabilitation	\$ 500,000
Costs of construction of public works or improvements	\$ 510,000
Interest and financing costs	\$ 275,000
Total Redevelopment Project Costs [1] [2] [3]	\$ 6,685,000

[1] Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest, costs of issuance, and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

[2] The amount of the Total Redevelopment Project Costs that can be incurred in the RPA may be reduced by the amount of Redevelopment Project Costs incurred in contiguous RPAs, or those separated from the RPA only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the RPA, but may not be reduced by the amount of Redevelopment Project Costs incurred in the RPA that are paid from incremental property taxes generated in contiguous RPAs or those separated from the RPA only by a public right-of-way.

[3] All costs are in 2014 dollars and may be increased by 5% after adjusting for annual inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers in U.S. Cities, published by the U.S. Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Plan and Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.

Adjustments to the estimated line item costs in **Table 1** are expected and may be made by the Village without amendment to the Redevelopment Plan. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the TIF Act. The line item amounts set forth above are not intended to place a limit on the described expenditures. Adjustments may be made in line items, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs, provided, however, that any such adjustments shall not exceed the total Redevelopment Project Costs described in **Table 1** of this Redevelopment Plan.

In the event the Act is amended after the date of the approval of this Redevelopment Plan and Project by the Village Board to: (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/1-74.4-3(q)(11)), this Redevelopment Plan and Project shall be

deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the Redevelopment Plan. In the event of such amendment(s) to the Act, the Village may add any new eligible redevelopment project costs as a line item in Table 1, or otherwise adjust the line items in Table 1 without amendment to this Redevelopment Plan and Project. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Redevelopment Plan and Project.

VIII. SOURCES OF FUNDS TO PAY FOR REDEVELOPMENT PROJECT COSTS

[22] Include as subsection of Section IX. Redevelopment Plan and Project Financing. Remove Roman numeral in section heading. No additional changes.

IX. ISSUANCE OF OBLIGATIONS TO PAY FOR REDEVELOPMENT

[23] Include as subsection of Section IX. Redevelopment Plan and Project Financing. Remove Roman numeral in section heading. No additional changes.

[24] Create new subsection in Section IX. Redevelopment Plan and Project Financing, entitled **Phasing and Scheduling of Redevelopment Expenditures**, with the following text:

Each private project that receives TIF funding within the Barrington Higgins RPA shall be governed by the terms of a written redevelopment agreement entered into by a designated developer and the Village, and approved by the Village Board. Where tax increment funds are used to pay eligible redevelopment project costs, to the extent funds are available for such purposes, expenditures by the Village shall be coordinated on a reasonable basis with the developer(s). This Redevelopment Plan and Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the Village treasurer provided in the Act is to be made with respect to ad valorem taxes levied in the thirty-fifth (35th) calendar year following the year in which the ordinance approving this Redevelopment Plan and Project is adopted.

X. MOST RECENT EQUALIZED ASSESSED VALUATION OF REAL PROPERTY IN THE REDEVELOPMENT PROJECT AREA

[25] Include as subsection of Section IX. Redevelopment Plan and Project Financing. Remove Roman numeral in section heading.

[26] Replace entire section with the following text:

The most recent equalized assessed valuation of real property in the Redevelopment Project Area, as of 2013, was \$5,605,645.

XI. ANTICIPATED EQUALIZED ASSESSED VALUATION

[27] Include as subsection of Section IX. Redevelopment Plan and Project Financing. Remove Roman numeral in section heading.

[28] Replace existing paragraph with the following text:

Once the project has been completed and the property is fully assessed, the equalized assessed valuation of real property within the Barrington Higgins Redevelopment Project Area is estimated at \$6.9 million. This estimate has been calculated assuming that the Redevelopment Project Area will be developed in accordance with the general land use plan described in this document, and all anticipated redevelopment will be completed by the year 2021.

XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION

[29] Change Roman numeral in heading to X. No additional changes.

XIII. TERMINATION OF THE REDEVELOPMENT PLAN

[30] Change Roman numeral in heading to XI. No additional changes.

XIV. AMENDMENT OF THE REDEVELOPMENT PLAN

[31] Change Roman numeral in heading to XII. No additional changes.

APPENDIX A (ANNOTATED AMENDED PLAN)

No changes.

APPENDIX B (LEGAL DESCRIPTION)

No changes.

[32] Create new appendix entitled **APPENDIX C (RPA BOUNDARY)**.

Include Map 1, attached at the end of this document.

[33] Create new appendix entitled **APPENDIX D (FUTURE LAND USE MAP)**.

Include Map 2, attached at the end of this document.



HOFFMAN ESTATES

OFFICE OF THE VILLAGE CLERK

Bev Romanoff
VILLAGE CLERK

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATE


I, Bev Romanoff, certify that I am the duly appointed Municipal Clerk of the Village of Hoffman Estates, Cook and Kane Counties, Illinois.

I further certify that on November 23, 2009 the Corporate Authorities of such municipality passed ordinance No. 4157-2009 entitled

An ordinance approving the amended Village of Hoffman Estates 1986 Barrington Higgins District Tax Increment Redevelopment Plan and Project.

The pamphlet form of Ordinance No. 4157-2009 such ordinance was posted in the municipal building, commencing on November 25, 2009, and continuing for at least ten days thereafter. Copies of such ordinance were also available for public inspection upon request in the office of the Municipal Clerk.

DATED at Hoffman Estates, Illinois this 23rd day of November, 2009.


Bev Romanoff
Village Clerk

VILLAGE OF HOFFMAN ESTATES

AN ORDINANCE APPROVING THE
AMENDED VILLAGE OF HOFFMAN ESTATES
1986 BARRINGTON HIGGINS DISTRICT
TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT

WHEREAS, the Village of Hoffman Estates, Cook and Kane Counties, Illinois (the "Village") desires to amend, pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et. seq.*, as amended (the "Act"), the Village of Hoffman Estates 1986 Barrington Higgins District Tax Increment Redevelopment Plan and Project, as previously amended (the "Redevelopment Plan and Project"), for the Redevelopment Project Area described in Exhibit "A" of this Ordinance, within the municipal boundaries of the Village, which area constitutes in the aggregate more than one and one-half (1½) acres; and

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the President and Board of Trustees caused a public hearing to be held relative to the amendment of the Redevelopment Plan and Project on May 18, 1999 at the Municipal Building, 1900 Hassell Road, Hoffman Estates, Illinois 60169; and

WHEREAS, due notice in respect to such hearing was given pursuant to Section 11-74.4-5 and 11-74.4-6 of the Act, said notice being given to taxing districts by certified mail on May 4, 1999, by publication on June 2, 1999 and June 9, 1999 and by certified mail to taxpayers on May 4, 1999; and

WHEREAS, the President and Board of Trustees of the Village (the "Corporate Authorities") have reviewed the conditions pertaining to lack of private investment in the Redevelopment Project Area to determine whether private development would take place in the Redevelopment Project Area as a whole without the adoption of the proposed amended Redevelopment Plan and Project; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to real property in the Redevelopment Project Area to determine whether contiguous parcels of real property and improvements thereon in the Redevelopment Project Area would be substantially benefited by the Redevelopment Project improvements.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, as follows:

Section 1: The statements set forth in the preamble to this Ordinance are true and correct and are adopted as part of this Ordinance.

Section 2: The President and Board of Trustees of the Village of Hoffman Estates hereby make the following findings:

- a. The area constituting the Redevelopment Project Area of the Village of Hoffman Estates, Illinois is described as set forth in the attached Exhibit "A".
- b. There exist conditions which cause the area to be designated as a Redevelopment Project Area to be classified as a "blighted area" as defined in Section 11-74.4-3(a) of the Act.
- c. The Redevelopment Project Area subject to this benefit on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the amended Redevelopment Plan and Project.
- d. The amended Redevelopment Plan and Project conforms to the Comprehensive Plan for the development of the Village as a whole.
- e. The parcels of real property in the Redevelopment Project Area are contiguous and those contiguous parcels of real property and improvements thereon, which will be substantially benefited by the Redevelopment Project improvements, are included in the Redevelopment Project Area.

- f. The estimated date for final completion of the Redevelopment Project is not later than December 1, 2021.
- g. The estimated date for retirement of obligations incurred to finance Redevelopment Project costs is not later than April 30, 2017.
- h. The findings made in Ordinance No. 1809-1986 are hereby remade as of the date hereof.

Section 3: The amended Redevelopment Plan and Project dated November 23, 2009, attached hereto as Exhibit B and incorporated herein by reference, is hereby adopted and approved.

Section 4: The Village Clerk is hereby authorized to publish this ordinance in pamphlet form.

Section 5: This Ordinance shall be in full force and effect immediately from and after its passage and approval.

PASSED THIS 23rd day of November, 2009

VOTE	AYE	NAY	ABSENT	ABSTAIN
Trustee Karen V. Mills	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Trustee Cary J. Collins	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Trustee Raymond M. Kincaid	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Trustee Jacquelyn Green	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Trustee Anna Newell	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Trustee Gary J. Pilafas	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Mayor William D. McLeod	<u> x </u>	<u> </u>	<u> </u>	<u> </u>

APPROVED THIS 23rd DAY OF November, 2009

William D. McLeod
Village President

ATTEST:

Debra Roman
Village Clerk

Published in pamphlet form this 25th day of November, 2009.

EXHIBIT "A"

LEGAL DESCRIPTION:

All that part of the Northwest Fractional $\frac{1}{4}$ of Section 7, in Township 41 North, Range 10, East of the Third Principal Meridian, lying southerly of the 240 foot wide right of way of State Route No. 72 and lying northerly of the center line of Old Higgins Road, as it is now constructed and travelled, (also excepting therefrom the west 50 feet of said Section 7, being the right of way of Barrington Road, as now dedicated), (also excepting therefrom a tract of land heretofore conveyed to Harvey Bierman and described as follows: beginning at the intersection of the north line of Old Higgins Road and the east line of Barrington Road; thence northerly along the east line of Barrington Road 201.20 feet; thence easterly 201.20 feet; thence south 231.76 feet to the north line of Old Higgins Road; thence northwesterly along the north line of Old Higgins Road, 203.51 feet to the place of beginning, in the northwest $\frac{1}{4}$ of Section 7, Township 41 North, Range 10, east of the Third Principal Meridian, in Cook County, Illinois, and also excepting that part condemned by the Department of Transportation in Case No. 84 L 052729, and also excepting: beginning at a point 50.0 feet east (as measured at right angles thereto from the west line of said fractional northwest $\frac{1}{4}$ said point beginning, lying 404.24 feet south from the north line of said northwest fractional $\frac{1}{4}$ and being the intersection of the east right of way line of Barrington Road and the southwesterly right of way line of Higgins Road (Route No. 72); thence southeasterly along the southwesterly right of way line of Higgins Road, 94.36 feet to a point of curvature in said line; thence continuing along said right of way line of a curve to the left having a radius of 9968.18 feet a distance of 160.64 feet; thence southwesterly, a distance of 99.56 feet to a point on a line drawn 130.0 feet east of and at right angles to the east right of way line of Barrington Road at a point lying 240.0 feet south from the point of beginning; thence west 150.0 feet on said line drawn at right angles to the said east right of way line of Barrington Road to said point lying 240.0 feet south from point of beginning; thence north on said east right of way line of Barrington Road, a distance of 240.00 feet to the point of beginning all in Schaumburg Township, in Cook County, Illinois.

EXHIBIT B

VILLAGE OF HOFFMAN ESTATES

1986

BARRINGTON HIGGINS DISTRICT

TAX INCREMENT REDEVELOPMENT

PLAN AND PROJECT

AS AMENDED BY ORDINANCE NO. _____ - 2009

NOVEMBER 23, 2009

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MAP 1

APPENDIX A - LEGAL DESCRIPTIONS OF PROPERTY IN REDEVELOPMENT
PROJECT AREA

I. INTRODUCTION

On December 22, 1986, the President and Board of Trustees for the Village of Hoffman, Estates adopted the "Barrington Higgins District Tax Increment Redevelopment Plan and Project" (the "Redevelopment Plan and Project"). Subsequently, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq. (the "Act"), the Village determined that it was necessary to amend the Redevelopment Plan and Project in order to reflect certain changes affecting the general land uses and the nature of the Redevelopment Plan and Project, and, accordingly, passed Ordinances 2890-1997 and 3102-1999, each of which approved amendments to the Redevelopment Plan and Project. The purpose of those changes to the Redevelopment Plan and Project was to make only descriptions, or points of clarification pertaining to such changes in the Redevelopment Plan and Project (or, in some cases, changes in general facts about the Village itself). ^{Insert (1)} All other declarations and findings made by the Village with respect to the November, 1986 adoption of the Redevelopment Plan and Project remained in place and are not intended to be affected by this amendment.

Replace text (2)

~~The Village now wishes to amend the Redevelopment Plan and Project solely to extend (1) the Redevelopment Plan and Project to December 1, 2021, and (2) the maturity date of obligations issued hereunder and under Ordinance No. _____ 2009 to April 30, 2017.~~

Replace text (3)

The Village of Hoffman Estates is located 30 miles northwest of the City of Chicago in Cook and Kane Counties, and covers an approximately 19.9 square mile area. The Village has experienced rapid growth in the years since its incorporation in 1959. ~~From a population of 8265 in 1960, the Village has grown to a 1990 population of 46,363, and has further grown to an expected population of 49,100 based on the anticipated finalization of a Special 1996 census.~~

II. GENERAL GOALS

The President and Board of Trustees of the Village, in the Village's Comprehensive Plan adopted in 1978, identified the following basic land use goals:

To achieve a balanced land use distribution through land use and annexation decisions which contribute to the fiscal soundness of the Village government and the well being of its citizens.

To diversify the tax base of the Village.

To increase the assessed valuation of the Village.

To increase local employment opportunities within the Village.

It was this 1978 Comprehensive Plan which was in place at the time this Redevelopment Plan and Project was adopted by the Village in 1986. ~~The Village's most recent Comprehensive Plan was adopted by the President and Board of Trustees of the Village in 1989. The 1989 Comprehensive Plan identified the following economic development and employment goal: The Village of Hoffman Estates will encourage development and maintenance of a diversified and balanced tax base and encourage an increase in employment opportunities within the Village.~~

Replace
Text (4)

The public goals of this Redevelopment Plan and Project are to:

- A. Reclaim 22 acres of vacant land heretofore undeveloped because approximately 50% of the site is flood plain, rendering the entire site undevelopable without massive public improvements. Such reclamation will increase the assessed valuation of real property within the Village.
- B. Create a commercial and retail development (including service establishments) to serve the needs of Village residents and attract business from surrounding communities, thereby increasing the property tax sales tax and hotel tax revenue to the Village and job opportunities in the Village.

- C. Provide public improvements and utilities necessary to reclaim the site for retail/commercial development.

III. EVIDENCE OF LACK OF DEVELOPMENT AND GROWTH WITHIN REDEVELOPMENT PROJECT AREA AND ASSESSMENT ON AFFECTED TAXING DISTRICTS

Prior to the time of establishment of the Redevelopment Project Area (the "RPA") in December 1986, the RPA had never contained any development activity, and suffered from lack of improvements through private sector investment. The RPA was flood prone and not suitable for private sector development as reflected by the findings regarding the designation of the RPA by the Village in 1986.

Since 1986, the RPA has attracted certain development activity which has resulted in a positive fiscal impact to the overlapping taxing districts. The nature of development activity has been such that none of the overlapping taxing districts, except the Village, is in need of delivery of public services in connection to the RPA. As a result, there has been no negative fiscal impact on the overlapping taxing districts. Instead, positive fiscal impact has been realized by virtue of the Village's enhanced position to declare positive tax surpluses for all the overlapping taxing districts and this situation is expected to continue. INSERT TEXT (5)

IV. TAX INCREMENT FINANCING REDEVELOPMENT

After a blighted area is designated as a Redevelopment Project Area, and Tax Increment Financing is adopted, pursuant to the Act, as amended, all taxing districts will continue to receive the real estate tax revenue they received prior to redevelopment. The new real estate tax revenue generated by the application of tax rates due to the increase in assessed values is described as tax increment revenue. New state legislation enables the Village to obtain State sales tax increment generated by business in the Redevelopment Project Area. As soon as Redevelopment Project Costs (as defined below) are paid, the surplus revenue will be distributed to the state and other

taxing districts which have real property in the Redevelopment Project Area. All taxing districts, are, therefore, the beneficiaries of the redevelopment. The increase in the Village tax base also helps to minimize the real property tax burden on the homeowners in the Village.

Boundary Description

A Redevelopment Project Area is to be established which designates the area to be included. This Redevelopment Project Area lies immediately southeast of the intersection of Higgins Road and Barrington Road, entirely within Cook County. ~~The Redevelopment Project Area consists of 22 acres, and is shown on Map 1. The legal description of the included properties will be attached to Appendix A.~~ ^{Insert text (7)} The Redevelopment Project Area was designated on December 22, 1986 pursuant to Ordinance Number 1807. This amended Redevelopment Plan and Project does not alter the Redevelopment Project Area, or the findings made by the Village in connection to its establishment.

Delete text (6)

V. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Based on surveys, inspections, and analysis of the Redevelopment Project Area, the Redevelopment Project Area would qualify as a "blighted area," as defined by the Act, as amended, because a substantial portion of the Redevelopment Project Area is in a flood plain, has been, prior to its designation hereby, subject to chronic flooding, which has adversely affected neighboring improved real property, and cannot be developed, without the public improvements contemplated by this Plan, because of such flooding conditions.

VI. REDEVELOPMENT PLAN AND PROJECT OBJECTIVES

~~The Village of Hoffman Estates proposes to accomplish the redevelopment goals and objectives through public financing methods, including, but not limited to, Tax Increment~~

Replace text (8)

create new subsection (9) →
create new subsection (10) ↗

~~Financing, and by providing thereby public improvements which are redevelopment projects
costs reconstruction work, utilities, parking, streetscapes, landscaping, etc.~~

~~Criteria for Redevelopment~~
Delete (11)

The following criteria shall apply to all areas in the Redevelopment Project Area.

Concept

In general, the intent is to achieve the goals and objectives set forth herein.

Pedestrian Movement

Direct and contiguous pedestrian linkage via sidewalk along Higgins Road should form a network connecting the Eastern portions.

Landscaping

Maintain an integrated landscape program, providing various scales, seasonal variations and support with a well detailed maintenance program.

Parking

Parking is imperative for support and success of this development. Parking should be convenient, accessible and compatible with the new development.

Traffic Patterns and Movements

Traffic flow must complement access to all uses in the Redevelopment Project Area and be in harmony with the public improvements.

Signs

Signage for the Redevelopment Project Area will be considered in accordance with the development and applicable ordinances of the Village.

Service

The intent is for service docks to be off-street and screened from the streets. Specific service plans will be subject to review of the pending development proposal.

Replace (12)

~~X~~ Proposed Land Use Plan

Replace
text (13)

~~The following land use provisions have been established for the Redevelopment Project Area. All of these uses are permitted in accordance with the applicable Zoning Ordinances affecting the Redevelopment Project Area from time to time and allowable variances therefrom. It is the intent of the Plan to encourage retail and commercial development (including all permitted B-2 Zoning uses of the Village). Development of a principal building, specifically a conference center of a minimum of 18,000 square feet, may occur prior to the construction of a hotel (including a swimming pool, exercise facilities, a restaurant, meeting room and lobby) if commencement of construction commences prior to May 1, 2000. Notwithstanding the foregoing, after May 1, 2000, commencement of construction of a hotel, including a swimming pool, exercise facilities, a restaurant, meeting room and lobby shall have occurred within the Redevelopment Area on or before development of any further principal building in such area.~~

Hotel Uses

One or more nationally recognized hotels with amenities and services designed for business travelers.

Retail and Commercial Uses

Retail and commercial (including all permitted B-2 zoning uses of the Village) uses should be developed in order to make the Redevelopment Project Area a center for such activities in the whole area.

Parking Uses

Full realization of the economic development potential of the Redevelopment Plan and Project is directly related to the provision of automobile parking that is conveniently located. The intent is for parking uses to be off-street.

Other Uses

Additional uses as permitted, or by special uses granted under the B-2 Zoning Ordinance designation will be allowed within the Redevelopment Project Area and include, but not limited to: banquet facilities, and ancillary uses to the hotel use.

change wording (14)
Delete text (15)

~~F. Specific Project Proposed in Redevelopment Area~~

~~1. Existing Uses~~

~~At the time of designation, the Redevelopment Project Area consisted of unimproved vacant land, substantially within a flood plain, and subject to chronic flooding.~~

~~2. Proposed Uses~~

~~Proposed uses includes those retail, commercial, service and ancillary uses permitted as above or allowed by special permit, under the Village's B-2 zoning district.~~

~~Construction activities on certain portions of the Redevelopment Project Area commenced in 1994. The construction activities for the development proposal which initiated this amended Redevelopment Plan and Project (which includes the Hotel Uses and Other Uses) has an anticipated starting timeframe of Spring 1997.~~

create new section (16)
create new section (17)

~~VII. ESTIMATED REDEVELOPMENT PROJECT COSTS~~

Update heading (18)

The Village of Hoffman Estates Redevelopment Project Costs mean and include the sum-total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Project and this Redevelopment Plan and Project and as permitted specifically under Illinois Compiled Statutes, Chapter 65, Section 5/11-74.4-3(q).

Replace text (19)

A list of development activities for the Redevelopment Plan and Project, for which public costs may be incurred, may include, but are not limited to, without limitation, the following:

- (1) Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan including, but not

limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;

- (2) Properly assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- (3) Costs of rehabilitation, reconstruction or repair or remodeling of existing buildings and fixtures;
- (4) Costs of the construction of public works or improvements;
- (5) Costs of job training and retraining projects;
- (6) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
- (7) All or a portion of a taxing district's capital cost resulting from the redevelopment project necessarily incurred or to be in furtherance of the objectives of the redevelopment plan and project, to the extent the Village by written agreement accepts and approves such costs;

- (8) Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
- (9) Payment in lieu of taxes;
- (10) Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Redevelopment Project Area, and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 20-23.3a of the School Code.
- (11) If deemed prudent by the Board of Trustees of the village for a particular redevelopment project, interest cost incurred by a redeveloper related to the

construction, renovation or rehabilitation of a redevelopment project provided that

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; and
- (b) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; and
- (c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (10) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
- (d) the total of such interest payments incurred pursuant to the Act may not exceed 30% of the total Redevelopment Project Costs excluding any property assembly costs and any relocation costs incurred pursuant to the Act.

(12) Unless explicitly stated within the Act, the cost of construction of new privately-owned building shall not be an eligible redevelopment cost.

Estimated costs are shown in the next section. Adjustments to these cost items may be made without amendment to the Redevelopment Plan and Project. The costs represent estimated amounts and do not represent actual Village commitments or expenditures. Rather, they are a ceiling on possible expenditures of TIF funds in the Redevelopment Project Area.

No funds will be paid to reimburse land acquisition costs until there is site plan approval for the subject acreage and the portion of the site necessary to serve the subject acreage.

The Redevelopment Project Area would not reasonably be developed as planned without the use of the incremental revenues as provided by Section 8(a) of the Act, as amended, and as it may be amended. The incremental revenues received by the Village from the State will be exclusively utilized for the redevelopment of the Redevelopment Project Area.

Rename subheading
(20)

~~REDEVELOPMENT COSTS~~

Replace
text (21)

The Village of Hoffman Estates' Redevelopment Project Costs include, but shall not exceed, the sum total of all reasonable and necessary costs incurred, or estimated to be incurred, and any such costs incidental to the Redevelopment Plan and Project, including the following:

<u>ITEM</u>	<u>PROJECTED COSTS</u>
Professional service costs (including engineering, consultants, legal, planning, etc.)	\$ 284,000
Land Acquisition (Cost or Land writedown) Costs	\$2,512,639
Site work and roads (construction and reconstruction)	\$ 526,000
Financing Costs	\$ 87,201
Construction Interest	\$ 25,000
Highway Access	\$ 150,000
Total Projected Costs	\$3,584,840

All project cost estimates are in 1996 dollars. Adjustments may be made in line items either increasing or decreasing line item costs for redevelopment. However, the total cost amount cannot be exceeded without additional amendment to this Redevelopment Plan and Project.

The developer proposal which initiated this amendment to the Redevelopment Plan and Project contemplates reimbursing private developers for Redevelopment Project Costs in the amount of \$3,584,840 (plus annual interest at a rate of 5.0%). Additional eligible Redevelopment Project Costs could result, should the Village choose to reimburse itself for eligible expenses, or should additional costs be reimbursed as part of expanded redevelopment of the Redevelopment Project Area all in accordance with the Act.

update heading (22)

~~VIII~~ SOURCES OF FUNDS TO PAY FOR REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for Redevelopment Project Costs are to be derived principally from tax increment revenues and proceeds from municipal obligations, (including notes), which have as their principal repayment source tax increment revenue. To secure the issuance of these obligations, the Village may permit the utilization of notes, guarantees, deposits and other forms of security, made available by the private sector, including the project developers.

The tax increment revenue which will be used to fund tax increment obligations and Redevelopment Project Costs will be the incremental taxes attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area, over and above the initial equalized assessed value of each such property in the Redevelopment Project Area, and Sales and Use Tax increments, as permitted by the Act, or the Act as it may be amended from time to time. Other sources of funds which may be used to pay for Redevelopment Project Costs and obligations issued, the proceeds of which are used to pay for such costs, may include, without limitation, land disposition proceeds, Industrial Development Bonds, County, State and Federal government grants, other investment income and any other revenue available to the Village.

update heading (23)

~~IX~~ ISSUANCE OF OBLIGATIONS TO PAY FOR REDEVELOPMENT

The Village may issue obligations (including notes) or otherwise borrow funds, repayment of which will be secured by the tax increment special tax allocation fund pursuant to Section 11-74.4-7 of the Act, and its Home Rule Powers under the Constitution of the State of Illinois. Such obligations shall be limited obligations of the Village and the Village shall not be required to pay and finance any Redevelopment Project Costs unless funds for such purposes are available from the tax increment special tax allocation fund or other monies made available by the Act. Any such obligations shall be retired not more than thirty-five (35) years from the

adoption of the ordinance approving the Redevelopment Project Area, such ultimate retirement date occurring not later than December 1, 2021. In any event, the final maturity date of any such obligations may not be later than twenty (20) years from their respective dates. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan and Project. The amounts payable in any year as principal of and interest on all obligations issued by the Village, pursuant to the Redevelopment Plan and Project and the Act, shall not exceed the amounts available, or projected to be available from tax increment revenues and from such bond sinking funds, capitalized interest funds, debt service reserve funds and other sources of funds as may be provided by ordinance.

Revenues shall be used for the schedule and/or early retirement of obligations, and for reserves, sinking funds and Redevelopment Project Costs, and, to the extent not used for such purposes, may be declared surplus and shall then become available for distribution annually to the State and taxing districts in the Redevelopment Project Area in the manner provided by the Act.

Create
new subsection
(24)

~~*~~ MOST RECENT ASSESSED VALUATION OF REAL PROPERTY IN THE REDEVELOPMENT PROJECT AREA

~~The most recent equalized assessed valuation of real property in the Redevelopment Project Area as of the date of the establishment of the Redevelopment Project Area in 1986 was \$12,357,000.~~

update heading
(25)

~~*~~ ANTICIPATED EQUALIZED ASSESSED VALUATION

update heading
(27)

~~It is estimated that all anticipated redevelopment will be completed and assessed by the year 2021. The estimated future equalized assessed valuation of real property in the Redevelopment Project Area upon completion of all anticipated redevelopment is estimated at approximately \$13,700,000.~~

Replace text
(28)

Update heading
(29) ~~of~~

COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION

As part of any Redevelopment Agreement entered into by the Village and any private developers, both will agree to establish and implement a honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the Village. The program will conform to the most recent Village policies and plans.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will countenance discrimination against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment; including: hiring, upgrading and promotions, terminations, compensation, benefit programs and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and the compliance requirements of applicable state and federal regulations.

The Village and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner.

Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

update heading
(30)

XIII. TERMINATION OF THE REDEVELOPMENT PLAN

The estimated date for completion of the Redevelopment Plan and Project is not later than December 1, 2021, and may be completed sooner, depending on the incremental tax yield.

update heading
(31)

XIV. AMENDMENT OF THE REDEVELOPMENT PLAN

The Redevelopment Plan and Project may be amended pursuant to the provisions of the Act, as amended.

~~Do not include
Barrington Higgins TIE Area~~



Department of Development Services
January 2009

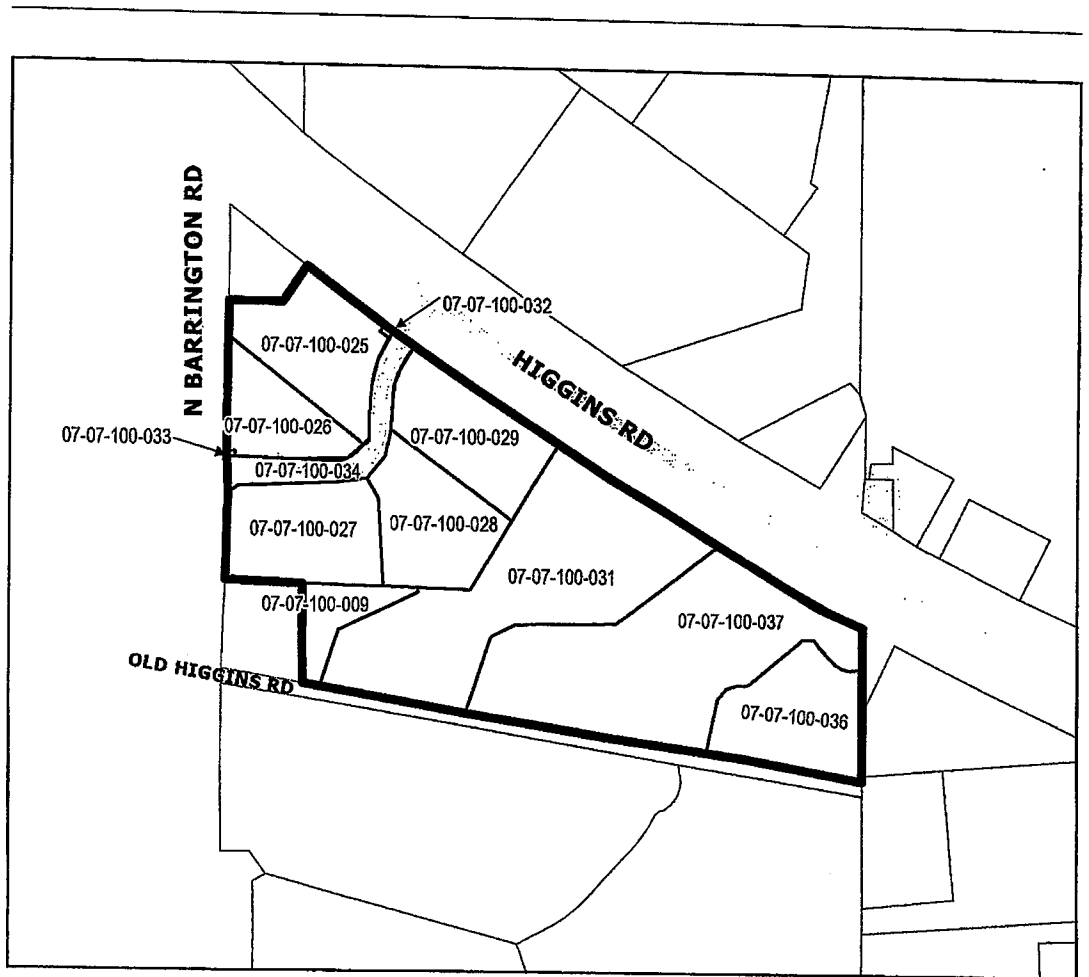
Map provided 6/20/2014 by Mark Koplin



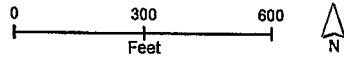
EXHIBIT "A"

LEGAL DESCRIPTION:

All that part of the Northwest Fractional $\frac{1}{4}$ of Section 7, in Township 41 North, Range 10, East of the Third Principal Meridian, lying southerly of the 240 foot wide right of way of State Route No. 72 and lying northerly of the center line of Old Higgins Road, as it is now constructed and travelled, (also excepting therefrom the west 50 feet of said Section 7, being the right of way of Barrington Road, as now dedicated), (also excepting therefrom a tract of land heretofore conveyed to Harvey Bierman and described as follows: beginning at the intersection of the north line of Old Higgins Road and the east line of Barrington Road; thence northerly along the east line of Barrington Road 201.20 feet; thence easterly 201.20 feet; thence south 231.76 feet to the north line of Old Higgins Road; thence northwesterly along the north line of Old Higgins Road, 203.51 feet to the place of beginning, in the northwest $\frac{1}{4}$ of Section 7, Township 41 North, Range 10, east of the Third Principal Meridian, in Cook County, Illinois, and also excepting that part condemned by the Department of Transportation in Case No. 84 L 052729, and also excepting: beginning at a point 50.0 feet east (as measured at right angles thereto from the west line of said fractional northwest $\frac{1}{4}$ said point beginning, lying 404.24 feet south from the north line of said northwest fractional $\frac{1}{4}$ and being the intersection of the east right of way line of Barrington Road and the southwesterly right of way line of Higgins Road (Route No. 72); thence southeasterly along the southwesterly right of way line of Higgins Road, 94.36 feet to a point of curvature in said line; thence continuing along said right of way line of a curve to the left having a radius of 9968.18 feet a distance of 160.64 feet; thence southwesterly, a distance of 99.56 feet to a point on a line drawn 130.0 feet east of and at right angles to the east right of way line of Barrington Road at a point lying 240.0 feet south from the point of beginning; thence west 150.0 feet on said line drawn at right angles to the said east right of way line of Barrington Road to said point lying 240.0 feet south from point of beginning; thence north on said east right of way line of Barrington Road, a distance of 240.00 feet to the point of beginning all in Schaumburg Township, in Cook County, Illinois.



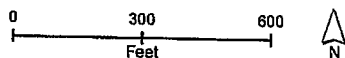
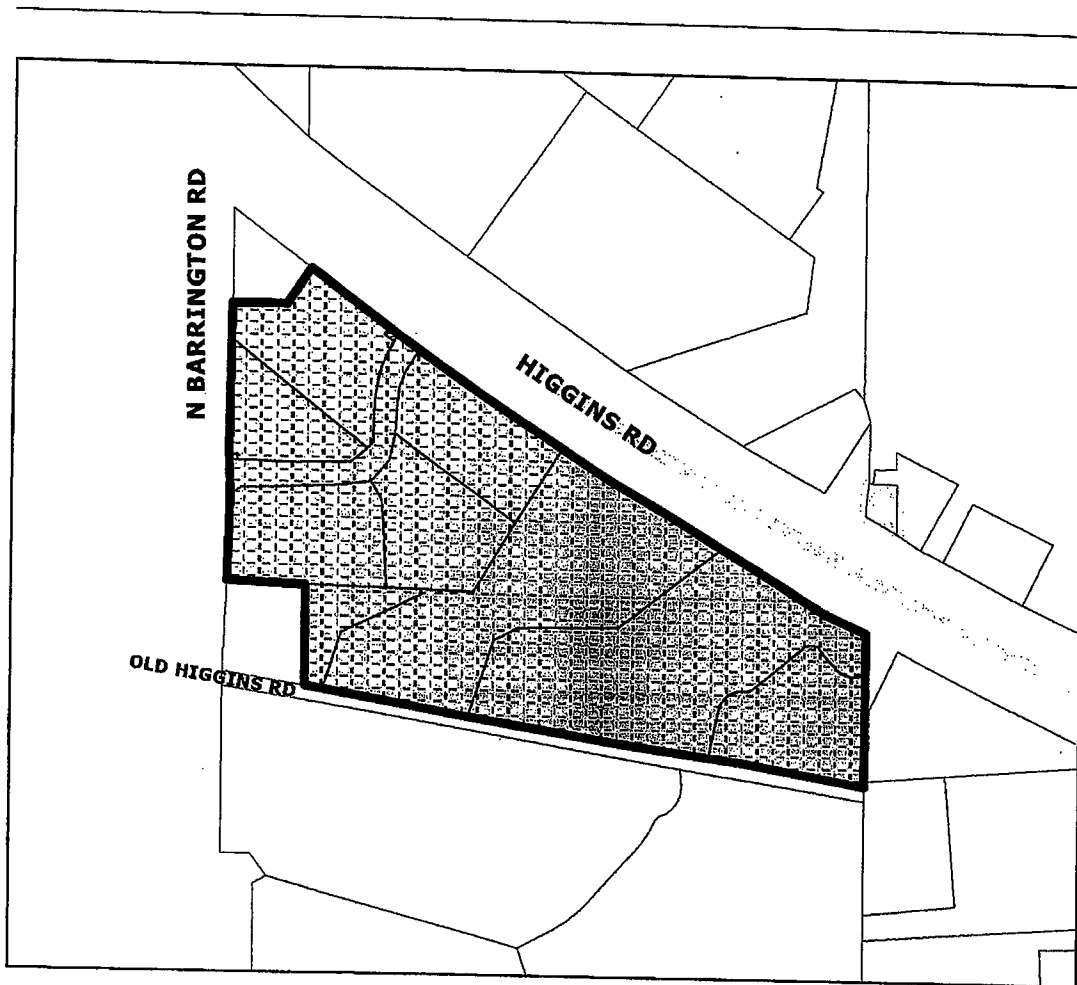
 Barrington/Higgins TIF Boundary*



*Boundary based on Appendix "A" Legal Description in Ordinance 4157-2009, An Ordinance Approving the Amended Village of Hoffman Estates 1986 Barrington Higgins District Tax Increment Redevelopment Plan and Project

**APPENDIX C
MAP 1. RPA BOUNDARY MAP**

**Barrington/Higgins TIF Redevelopment Plan and Project
Plan Amendment No. 4
July 2014**



*Boundary based on Appendix "A" Legal Description in Ordinance 4157-2009, An Ordinance Approving the Amended Village of Hoffman Estates 1986 Barrington Higgins District Tax Incremental Redevelopment Plan and Project

 Barrington/Higgins TIF Boundary*

Proposed Future Land Uses

 Hotel, Retail, Commercial, Parking, Service and/or Complementary Uses

**APPENDIX D:
MAP 2. PROPOSED FUTURE LAND USE MAP**

**Barrington/Higgins TIF Redevelopment Plan and Project
Plan Amendment No. 4
July 2014**

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BARRINGTON-HIGGINS TIF DISTRICT
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

CERTIFICATE OF COMPLIANCE

I, William D. McLeod, duly elected Village President of the Village of Hoffman Estates, State of Illinois, do hereby certify that the Village of Hoffman Estates has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act during the fiscal year January 1, 2014 through December 31, 2014, except that no quorum was present for the annual Joint Review Board meeting in 2014.

6-17-2015
Date

William D. McLeod
William D. McLeod
Village President

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BARRINGTON-HIGGINS TIF DISTRICT
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014
CERTIFICATE OF COMPLIANCE

[See Attachment]

June 10, 2015

The Honorable Leslie Geissler Munger
Illinois Comptroller
Local Government Division
James R. Thompson Center
100 West Randolph Street, Suite 15-1500
Chicago, IL 60601-3252

**Re: Village of Hoffman Estates
Barrington and Higgins Road TIF District
2014 Compliance**

Dear Comptroller Munger:

Subject to the qualifications and limitation herein, we are of the opinion that, for the period of January 1, 2014 to December 31, 2014, we are not aware of any material violation by the Village of any of the applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act (the "Act") except for the annual meeting of the Joint Review Board.

Whenever we indicate that our opinion with respect to the existence is based on our knowledge, our opinion is based solely on the current actual knowledge of Arthur L. Janura. We have made no independent investigation as to such factual matters. We have not undertaken to identify or review any facts which could constitute any potential non-compliance by the Village under the Act.

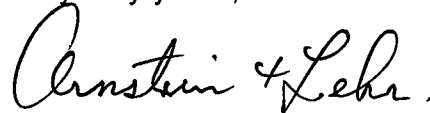
This opinion is given as of the date hereof and we undertake no obligation to advise you or anyone else of any subsequent changes in any matter stated herein, changes in any law related thereto or changes in facts or any other matters that hereafter may occur or be brought to our attention. The opinion expressed herein is specifically limited to the laws of the State of Illinois and the Federal laws of the United States and no opinion express or implied, is rendered as to the effect that the law of any other jurisdiction might have upon the subject matter of the opinion expressed herein.

ARNSTEIN & LEHR LLP

The Honorable Leslie Geissler Munger
June 10, 2015
Page 2

This opinion is rendered solely to the addressee hereof and is not to be quoted in whole or in part or otherwise referred to nor is it to be filed with any governmental agency or any other person nor is it intended to be relied upon, nor may it be relied upon, by any entity or individual other than such addressee without the prior written consent of a partner of this firm. No opinion may be inferred or implied beyond the matters expressly contained herein.

Very truly yours,

A handwritten signature in cursive script that reads "Arnstein & Lehr". The signature is written in black ink and is positioned above the printed name of the firm.

Arnstein & Lehr LLP

ALJ/lu

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

BARRINGTON-HIGGINS TIF DISTRICT

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

Receipts	
Property Taxes	\$ 645,961
Interest Earnings	388
Sub-total	<u>\$ 646,349</u>
Disbursements	
Interest - Development Note	235,205
Surplus Distribution	422,440
Professional Services	9,453
Sub-total	<u>\$ 667,098</u>
Excess (Deficit) of Receipts over Disbursements	<u>\$ (20,749)</u>
Balance, January 1, 2014	<u>\$ 422,440</u>
Balance, December 31, 2014	<u>\$ 401,691</u>
Ending Balance By Source:	
Property Taxes	\$ 401,366
Interest	325
Total	<u>\$ 401,691</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BARRINGTON-HIGGINS TIF DISTRICT
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF FUND BALANCE BY SOURCE AND YEAR

SOURCE YEAR

2014

Property Taxes (2013 Levy)	\$ 401,366
Interest	325
Total Fund Balance, December 31, 2014	<u>\$ 401,691</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BARRINGTON-HIGGINS TIF DISTRICT
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF EQUALIZED ASSESSED VALUE (EAV)
AND INCREMENTAL TAX REVENUES

Initial EAV of the Redevelopment Project Area	\$ 12,357
2013 EAV of the Redevelopment Project Area	\$ 5,605,646
Incremental Revenues Received During 2014	\$ 645,961
Incremental Revenues Received in Previous Year	\$ 642,918
Increase (Decrease) in Incremental Revenues	\$ 3,043
<u>Breakdown of Change By Taxing District:</u>	
Cook County	\$ 147.55
Consolidated Elections	8.17
Cook County Forest Preserve	18.18
Schaumburg Township	30.83
Road & Bridge – Schaumburg	8.17
General Assistance – Schaumburg	3.43
Metropolitan Water Reclamation District	109.87
Northwest Mosquito Abatement District	3.43
Palatine Township High School District 211	842.37
Harper College District 512	116.99
Hoffman Estates Park District	176.27
Village of Hoffman Estates	383.64
Schaumburg Township Library District	101.18
School District 54	<u>1,092.92</u>
TOTAL	<u>\$ 3,043.00</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BARRINGTON-HIGGINS TIF DISTRICT
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF PROPERTY PURCHASED

During the year ended December 31, 2014, the Village of Hoffman Estates did not purchase any property within the redevelopment project area.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

BARRINGTON-HIGGINS TIF DISTRICT

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

REDEVELOPMENT ACTIVITIES

During the year ended December 31, 2014, Ala Carte Entertainment Limited Partnership acquired and began renovating two long-vacant restaurant buildings just east of Barrington Road on the south side of Higgins Road. Two popular Chicagoland restaurants, Moretti's and Whiskey River are slated to open for business in these locations in the first quarter of 2015.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BARRINGTON-HIGGINS TIF DISTRICT
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF INDEBTEDNESS

During the year ended December 31, 2014, the Village of Hoffman Estates issued a non-interest bearing TIF Note not to exceed \$550,000 payable from the Barrington-Higgins TIF District. This TIF Note is due only if tax increment revenues are available for payment of principal. A copy of the ordinance authorizing the execution of the TIF Note is attached.

6/27/2015

Date

Bev Romanoff

Bev Romanoff
Village Clerk



HOFFMAN ESTATES

Office of the Village Clerk

Bev Romanoff
Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF COOK AND KANE)


CERTIFICATE

I, Bev Romanoff, Village Clerk of the Village of Hoffman Estates, in the Counties of Cook and Kane and the State of Illinois, DO HEREBY CERTIFY that the annexed and foregoing is a true and correct copy of the following document now on file:

Ordinance No. 4456-2014 authorizing the execution of a Redevelopment Agreement and the issuance of a TIF note respecting the Barrington Higgins Redevelopment Project Area in the Village of Hoffman Estates, Illinois (Barrington Higgins TIF District), passed by the Board of Trustees at a regular meeting on November 3, 2014.

I, FURTHER CERTIFY that the original document, of which the foregoing is a true copy, is entrusted to my care for safe keeping, and that I am the lawful keeper of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of Hoffman Estates aforesaid, at the said Village, in the Counties of Cook and Kane and the State of Illinois, aforesaid, this 3rd day of November, 2014.


Bev Romanoff
Village Clerk



HOFFMAN ESTATES

Office of the Village Clerk

Bev Romanoff
Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF COOK AND KANE)

CERTIFICATE


I, Bev Romanoff, certify that I am the duly appointed Municipal Clerk of the Village of Hoffman Estates, Cook and Kane Counties, Illinois.

I further certify that on November 3, 2014 the Corporate Authorities of such municipality passed Ordinance No. 4456-2014 entitled

An ordinance authorizing the execution of a Redevelopment Agreement and the issuance of a TIF note respecting the Barrington Higgins Redevelopment Project Area in the Village of Hoffman Estates, Illinois (Barrington Higgins TIF District).

The pamphlet form of Ordinance No. 4456-2014 such ordinance was posted in the municipal building, commencing on November 6, 2014, and continuing for at least ten days thereafter. Copies of such ordinance were also available for public inspection upon request in the office of the Municipal Clerk.

DATED at Hoffman Estates, Illinois this 3rd day of November, 2014.


Bev Romanoff
Village Clerk

VILLAGE OF HOFFMAN ESTATES

AN ORDINANCE AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT AND THE ISSUANCE OF A TIF NOTE RESPECTING THE BARRINGTON HIGGINS REDEVELOPMENT PROJECT AREA IN THE VILLAGE OF HOFFMAN ESTATES, ILLINOIS (BARRINGTON HIGGINS TIF DISTRICT)

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois (65 ILCS 5/11-74.4-1, et seq.), as from time to time amended (the "Act"), the President and Board of Trustees of the Village (the "Corporate Authorities") are empowered to undertake the redevelopment of a designated area within its municipal limits in which existing conditions permit such area to be classified as a "blighted area" or a "conservation area" as defined in Section 11.74.4-3(b) of the Act; and

WHEREAS, in accordance with the Act, the Corporate Authorities adopted the following ordinances on December 22, 1986: (1) Ordinance No. 1806-1986, approving a redevelopment plan (the "Original Redevelopment Plan"); (2) Ordinance No. 1807-1986, designating the area known as the Barrington Higgins Tax Increment Financing District (the "Redevelopment Project Area"); and (3) Ordinance No. 1808-1986 adopting tax increment allocation financing for the Redevelopment Project Area (the "TIF Ordinance"); and

WHEREAS, the Corporate Authorities, in accordance with the Act, adopted the following ordinances approving four amendments to the Original Redevelopment Plan: (1) Ordinance No. 2890-1997 on February 3, 1997; (2) Ordinance No. 3102-1999, on July 6, 1999; and (3) Ordinance No. 4157-2009, on November 23, 2009; and (4) Ordinance No. ____-2014, on November 3, 2014 (the Original Redevelopment Plan, as amended, the "Redevelopment Plan"); and

WHEREAS, pursuant to the TIF Ordinance, the Corporate Authorities have applied tax increment allocation financing as a means of financing certain "redevelopment project costs" as defined in the Act; and

WHEREAS, Ala Carte Entertainment Limited Partnership, a Delaware limited partnership (the "Developer") has acquired two parcels within the Redevelopment Project Area, each improved with a restaurant building and accessory parking, located within the Redevelopment Project Area (the parcel commonly known as 2475 W. Higgins Road, Hoffman Estates, IL (PIN 07-07-100-028) is herein referred to as "Restaurant Parcel A" and the parcel commonly known as 2525 W. Higgins Road, Hoffman Estates, IL (PIN 07-07-100-029) is herein referred to as "Restaurant Parcel B", and the two parcels collectively are referred to as the "Site"); and

WHEREAS, pursuant to the terms of a proposed Redevelopment Agreement with the Village in the form of Exhibit A attached hereto (the "Redevelopment Agreement"), the Developer proposes to implement the Redevelopment Plan by rehabilitating and redeveloping the restaurant buildings (the "Restaurants") on the Site, along with certain improvements, all as described in more detail in the Redevelopment Agreement (collectively, the "Project"); and

WHEREAS, the Corporate Authorities hereby determine that the acceptance of the Developer's proposal and the implementation of the Project by the Developer and fulfillment generally of the Redevelopment Plan and Redevelopment Agreement are in the best interests of the Village, and the health, safety, morals and welfare of its residents, and in accord with the public purposes specified in the Redevelopment Plan.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, as follows:

ARTICLE I
General Matters

Section 101. Incorporation of Recitals. The foregoing recitals to this Ordinance are incorporated in this Ordinance as if set out in full by this reference, and the statements and findings contained therein are found to be true and correct, and are hereby adopted as part of this Ordinance.

Section 102. Authority. This Ordinance is adopted pursuant to the provisions of Section 6 of Article VII of the 1970 Constitution of the State of Illinois, as supplemented by Division 74.4 of Article 11 of the Illinois Municipal Code, and all laws amendatory thereof and supplemental thereto, and specifically as supplemented by the Local Government Debt Reform Act, as supplemented and amended, and the Omnibus Bond Acts, as amended. The Corporate Authorities hereby determine that the Village is authorized to issue its tax increment allocation revenue obligation in an aggregate amount not to exceed \$550,000 for the purpose of paying certain "redevelopment project costs" as that term is defined in Section 11-74.4-3(q) of the Act, and that every act, matter or obligation, as to which provision is made in this Ordinance, is necessary to carry out the Redevelopment Plan and to secure the payment of the principal of the TIF Note.

Section 103. Definitions. In this Ordinance, unless a different meaning clearly appears from the context:

"Administrative Costs" means an amount in each calendar year which the Village may subtract from Restricted Incremental Taxes, to pay prospectively for administrative costs relating to the Fund and administration of the Redevelopment Agreement, such amount being limited, however, to \$2,000 in 2015 and escalating by 5% in each subsequent year over the prior year during the term of the Redevelopment Agreement;

"Corporate Authorities" has the meaning given in the recitals;

"Defense Costs" means the legal fees and costs incurred by the Village to defend against any action which is brought to contest the validity or legality of the TIF Ordinances, the Redevelopment Plan, this Agreement, the TIF Note or similar type of action;

"Developer" means the Developer under the Redevelopment Agreement, including approved assignees, under Section 508 of the Redevelopment Agreement;

"Developer Account" means the account so established by Section 301 of this Ordinance;

"Developer Affiliate" has the meaning given in Section 508 of the Redevelopment Agreement.

"Fund" means the special tax allocation fund for the Redevelopment Project Area established pursuant to the TIF Ordinance;

"General Account" means the account so established by Section 301 of this Ordinance;

“Investment Obligations” means any investment that at the time is a legal investment for units of local governmental under the laws of the State of Illinois for the monies held hereunder then proposed to be invested;

“Maturity Date” means December 1, 2021;

“Ordinance” means this Ordinance entitled “An Ordinance Authorizing the Execution of a Redevelopment Agreement and the Issuance of a TIF Note”, as the same may be amended or supplemented by an ordinance adopted and becoming effective in accordance with the terms of Ordinance;

“Original Principal Amount” means the original principal amount of the TIF Note as determined in accordance with Sections 301, 402 and 403 of the Redevelopment Agreement;

“Payment Date” means December 1, 2015 and each December 1 thereafter until and including the Maturity Date, except that when any such date is not a business day on which banks are open for business in the State of Illinois, then the Payment Date shall be the first day following December 1 which is a business day;

“Person” means any individual, trust or legal entity such as a corporation, limited liability company, or partnership;

“Pledged Amount” means all moneys, securities and funds at any time deposited or required to be deposited into the Developer Account;

“Principal Amount” of the TIF Note, means, on any particular date, the Original Principal Amount of the TIF Note, less all prior payments of principal;

“Project” means the Project implementing the Redevelopment Plan as described in Section 301 of the Redevelopment Agreement;

“Redevelopment Agreement” has the meaning given in the recitals;

“Redevelopment Plan” means the Redevelopment Plan described in the recitals, as the same maybe amended from time to time in accordance with the Act;

“Redevelopment Project Area” means the Redevelopment Project Area described in the recitals, as the same maybe amended from time to time in accordance with the Act;

“Registered Owner” means the Person in whose name the TIF Note is registered on the Register as the absolute owner hereof for the purpose of receiving payment of or on account of principal thereof and for all other purposes;

“Restricted Incremental Taxes” means the incremental *ad valorem* taxes generated by the application of tax increment financing to the Redevelopment Project Area in accordance with Section 11-74.4-8a of the Act, but calculated solely by measuring the current equalized assessed value against the initial equalized assessed value (determined in base year 1986) for the two parcels comprising the Site;

“TIF Note” means any note of the Village issued pursuant to this Ordinance and Section 403 of the Redevelopment Agreement;

“TIF Ordinance” has the meaning given in the recitals;

“Village” has the meaning given in the recitals; and

“Village Account” means the account so established by Section 301 of this Ordinance.

ARTICLE II
Approval of Redevelopment Agreement

Section 201. Approval of Redevelopment Agreement. The Redevelopment Agreement is hereby approved. The Corporate Authorities find that the Redevelopment Agreement is in furtherance of the objectives of the Redevelopment Plan and Village has made a public disclosure of the terms of the Redevelopment Agreement. The Village President is hereby authorized and directed to execute and deliver the Redevelopment Agreement on behalf of the Village, and the Village Clerk is authorized and directed to affix the seal thereto and to attest the Redevelopment Agreement.

ARTICLE III
Authorization and Terms of TIF Note

Section 301. Authorization and Terms of TIF Note. There shall be borrowed for and on behalf of the Village an aggregate amount not to exceed \$550,000, to be evidenced by the TIF Note. The TIF Note shall be dated the date of delivery thereof, and shall bear the date of authentication, shall be in fully registered form, shall be issued in the Original Principal Amount, in any denomination less than or equal to \$550,000, shall be non-interest bearing, and shall become due and payable on the Maturity Date, unless optionally prepaid in full by the Village prior to the Maturity Date. The TIF Note shall be subject to the terms and provisions of this Ordinance.

The Finance Director of the Village is hereby appointed as note registrar and paying agent ("Registrar") for the TIF Note. The principal of the TIF Note shall be payable to the Registered Owner as shown on the registration books of the Village maintained by the Registrar, at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or prepayment date and shall be paid by electronic transfer to the Registered Owner, provided such Registered Owner has given prior written notice to the Registrar, containing the electronic transfer instructions, including the name and address of the bank (which shall be in the continental United States), its ABA routing number and the name and account number to which such Registered Owner wishes to have such transfer directed.

The seal of the Village shall be affixed to or a facsimile thereof printed on the TIF Note, and the TIF Note shall be signed by the Village President of the Village and attested by the Village Clerk of the Village, and in case any officer whose signature shall appear on the TIF Note shall cease to be such officer before the delivery of the TIF Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The TIF Note shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Registrar, as authenticating agent of the Village for the TIF Note, and showing the date of authentication. The TIF Note shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Registrar by manual signature, and such certificate of authentication upon the TIF Note shall be conclusive evidence that the TIF Note has been authenticated and delivered under this Ordinance.

Section 302. Note Register; Surrender for Transfer. The Village shall cause books (the "Register") for the registration of the TIF Note as provided in this Ordinance to be kept at the principal office of the Registrar. The Registrar shall maintain a list of the names and addresses of the Registered Owner from time to time of the TIF Note and upon transfer (but no transfer of the TIF Note is allowed except to the extent such transfer to a Developer Affiliate is expressly permitted under Section 508 of the Redevelopment Agreement) shall add the name and address of the new Registered Owner and eliminate the name and address of the transferor. The Village is authorized to prepare, and the Registrar shall keep custody of, multiple Note blanks executed by the Village for use in the transfer of the TIF Note.

Upon surrender for transfer of the TIF Note authorized under this Ordinance at the principal office of the Registrar, duly endorsed by, or accompanied by: (i) a written instrument or instruments of transfer in form satisfactory to the Registrar; (ii) an investment representation in form satisfactory to the Village and duly executed by the Registered Owner or his attorney duly

authorized in writing, (iii) the written consent of the Village evidenced by the signature of the Village President (or his or her designee) on the instrument of transfer, and (iv) any deliveries required under this Ordinance, the Village shall execute and the Registrar shall authenticate, date and deliver in the name of any such authorized transferee or transferees, a new fully registered TIF Note of the same maturity, of authorized denomination, for a like aggregate principal amount. The execution by the Village of a fully registered TIF Note shall constitute full and due authorization of such TIF Note and the Registrar shall thereby be authorized to authenticate, date and deliver such TIF Note, provided, however, that the principal amount of such TIF Note authenticated by the Registrar shall not exceed the authorized principal amount of the TIF Note less previous retirements. The Registrar shall not be required to transfer or exchange any TIF Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of the TIF Note nor to transfer or exchange the TIF Note after notice calling the TIF Note for redemption has been made, nor during a period of ten (10) days next preceding mailing of a notice for redemption of principal of the TIF Note. No beneficial interests in the TIF Note shall be assigned. The TIF note shall not be encumbered or collaterally assigned for any purpose. No service charge shall be made for any transfer of the TIF Note to a Developer Affiliate, but the Village may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of the TIF Note.

The Person in whose name the TIF Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of the TIF Note shall be made only to the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the TIF Note to the extent of the sum or sums so paid.

Section 303. Form of TIF Note. Subject to the provisions of this Ordinance, the TIF Note shall be in substantially the form attached hereto as Exhibit B, with such insertions or variations as to any endorsement or payment provisions and such other insertions or omissions, endorsements and variations as may be required or permitted by this Ordinance.

Section 304. Optional Prepayment. The principal of the TIF Note may be subject to prepayment by the Village, in whole or in part, at any time, without payment of any penalty or premium.

Section 305. Limited Obligation. The TIF Note is a special limited obligation of the Village, and payable solely from the Pledged Amount, and shall be a valid claim of the Registered Owner thereof only against said Pledged Amount. The TIF Note shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation. If the Pledged Amount is insufficient to pay all the principal due under the TIF Note, the Registered Owner shall have no recourse against the Village. The Registered Owner shall have no right to compel the exercise of the taxing authority of the Village or to use any funds of the Village (other than the Pledged Amount) for payment of the principal of the TIF Note.

ARTICLE IV Tax Increment Revenues

Section 401. Fund and Accounts. Pursuant to the TIF Ordinance, the Village has established the Fund and all incremental ad valorem taxes received by the Village for the Redevelopment Project Area are to be deposited into the Fund. The Treasurer of the Village is hereby directed to maintain the Fund as a segregated account, separate and apart from the General Fund or any other fund of the Village. With respect to the Restricted Incremental Taxes, the Village hereby establishes and creates subaccounts of the Restricted Incremental Taxes consisting of the Village Account, the General Account, and the Developer Account, which shall be special accounts held by the Village.

Section 402. Pledge Securing TIF Note. The Village hereby irrevocably assigns and pledges the Pledged Amount to the payment of the TIF Note. The pledge made pursuant to this Section shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Village. All moneys on deposit in the Developer Account shall be used

to pay the principal of the TIF Note, at maturity or upon payment prior to maturity, in accordance with its respective terms, which payments from the Developer Account are hereby authorized and appropriated by the Village.

Section 403. Deposit and Allocation of Incremental Taxes. In connection with the ongoing administration of the Fund, in each calendar year the Village shall deposit all of the Restricted Incremental Taxes as and when received into the Village Account, the Developer Account and the General Account in the following amounts and order of priority, subject to the terms and conditions set forth below:

FIRST: The Village shall deposit to the Village Account, an amount not to exceed its allowable Administrative Costs for the year, and if the Village shall have incurred Defense Costs, the Village shall deposit such additional amounts to the Village Account as are necessary to reimburse the Village for such Defense Costs.

SECOND: A portion of the Restricted Incremental Taxes shall be credited, allocated and deposited to the Developer Account in such amount as will allow for principal reduction payments on each Payment Date, such that the Principal Amount then remaining, after crediting the principal reduction payment on each such Payment Date, shall equal the following:

<u>Scheduled Payment Date</u>	<u>Principal Amount</u>
December 1, 2015	80% of the Original Principal Amount
December 1, 2016	60% of the Original Principal Amount
December 1, 2017	40% of the Original Principal Amount
December 1, 2018	20% of the Original Principal Amount
December 1, 2019	0% of the Original Principal Amount

However, if any principal of the TIF Note is unpaid after December 1, 2019, the Village shall deposit Restricted Incremental Taxes into the Fund during 2020 and 2021, up to the amount then needed to pay any such unpaid principal of the TIF Note on each Payment Date, including December 1, 2021.

THIRD: The balance of the Restricted Incremental Taxes shall be credited, allocated and deposited to the General Account.

Section 404. General Account. The Village shall withdraw from the General Account for purposes of paying for "redevelopment project costs" as that term is defined in Section 11-74.4-3(q) of the Act or for any lawful purpose permitted under the Act, including but not limited to calculation and distribution of any "surplus" in accordance with Sections 11-74.4-4 and 11.74.4-8a of the Act.

Section 405. Developer Account. In order to make payment of principal on the TIF Note such that the Principal Amount of the Note is reduced on each Payment Date in accordance with Section 303 of this Ordinance, the Village shall withdraw annually from the Developer Account on or before each Payment Date such amounts as are then required and shall make the payment of principal on the TIF Note then due to the Registered Owner. Upon payment of all amounts due under the TIF Note in accordance with its respective terms, any remaining amounts on deposit in the Developer Account shall be deposited in the General Account, and the Developer Account shall be closed.

Section 406. Investment of Moneys Held in Fund. Moneys held in the Fund may be invested by the Village Treasurer in Investment Obligations or may be deposited by the Village, on demand or time deposit, or with such banks or trust companies which are lawful depositories as may be designated by the Village. No such moneys shall be deposited with any bank or trust company in excess of the amount guaranteed or insured by the Federal Deposit Insurance Corporation or other Federal agency, unless such bank or trust company shall have lodged as collateral for such deposit, Federal Obligations having a market value (exclusive of accrued interest) at least equal to the amount of such moneys.

Any obligations so purchased with moneys in any account of the Fund shall be deemed at all times to be part of the Fund and the interest thereon and any profit arising on the sale thereof shall be credited to the Fund, and any loss resulting on the sale thereof shall be charged to the Fund. Obligations so purchased as an investment of moneys in the Fund shall be sold at the best price obtainable whenever it shall be necessary to provide any moneys to make any transfer, withdrawal, payment or disbursement from the Fund, or in the case of any required transfer of moneys to an account of the Fund on any date, may be transferred to that account in lieu of the required moneys; provided that each such investment shall mature on a date prior to the date on which said amounts are needed to make any required payments from the Fund. Current and future holders of the TIF Note specifically release and hold harmless the Village from any duties of obligation regarding the investment of moneys from the Fund.

ARTICLE V Particular Covenants

Section 501. General. The provisions of the Ordinance shall constitute a contract between the Village and the Registered Owner of the TIF Note. All covenants relating to the TIF Note are enforceable solely by the Registered Owner of the TIF Note. The Village shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Village under the provisions of law or the Ordinance in accordance with the terms of such provisions. The Ordinance shall not be modified or amended in any respect without the consent of the Registered Owner, except to adopt an ordinance supplementing the Ordinance (1) to add to the covenants or agreements contained in the Ordinance other than covenants or agreements to be observed by the Village which are not contrary to or inconsistent with the Ordinance as theretofore in effect, (2) to surrender any right, power or privilege reserved to or conferred upon the Village by the Ordinance, (3) to specify, determine or authorize any and all matters and things relative to the TIF Note or the proceeds thereof which are not contrary to or inconsistent with the Ordinance as theretofore in effect, (4) to cure any ambiguity, supply any omission or cure any defect or inconsistent provision in the Ordinance and (5) to insert such provisions clarifying matters or questions arising under the Ordinance as are necessary or desirable and are not contrary or inconsistent with the Ordinance as theretofore in effect.

Section 502. Payment of TIF Note. The Village shall duly and punctually pay or cause to be paid from the Pledged Amount the principal of the TIF Note, at the dates and places and in the manner mentioned in the TIF Note, according to the true intent and meaning thereof.

Section 503. Power to Issue TIF Note and Pledge Revenues. The Village represents that it is duly authorized under all applicable laws to authorize and issue the TIF Note, to adopt the Ordinance and to pledge the Pledged Amount in the manner and to the extent provided in the Ordinance. The Pledged Amount will be free and clear of any pledge, lien, charge or encumbrance thereon, or with respect thereto prior to, or of equal rank with, the pledge created by the Ordinance, and all corporate or other action on the part of the Village to that end has been and will be duly and validly taken. The TIF Note and the provisions of the Ordinance are and will be the valid and legally enforceable obligations of the Village in accordance with their terms and the terms of the Ordinance. The Village at all times shall, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Amount under the Ordinance and all rights of the Registered Owner under the Ordinance against all claims and demands of all Persons whomsoever.

Section 504. Further Assurances. At any and all times, the Village shall, so far as it may be authorized by law, pass, make, do execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming all and singular its interest in the Pledged Amount pledged hereby for the payment of the principal of the TIF Note. The Village President, the Finance Director, the Village Clerk, and the other officers of the Village are authorized to execute and deliver on behalf of the Village such other documents, agreements and certificates and to do such other things consistent with the terms of this Ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this Ordinance.

Section 505. Consent of Registered Owner. For any amendment of the Ordinance requiring consent of the Registered Owner, the Village shall mail a copy of the amendment together with a request to the Registered Owner for its consent, but failure to mail such copy and request shall not affect the validity of such amendment when consented to as in this Section provided. Such amendment shall not take effect in accordance with its terms, unless and until there shall have been filed with the Village Clerk the written consent of the Registered Owner. Any such consent shall be effective only if accompanied by proof of the ownership, at the date of such consent, of the TIF Note. A certificate of the Village Clerk that such proof is sufficient under the provisions of Section 602 shall be conclusive that such consents have been given by the Registered Owner. Any such consent shall be binding upon the Registered Owner giving such consent and upon any subsequent Registered Owner whether or not the subsequent Registered Owner has notice thereof. Any consent may be delivered or filed prior to any mailing required by this Section and shall not be deemed ineffective by reason of such prior delivery or filing.

ARTICLE VI Remedies on Default

Section 601. Events of Default. Each of the following shall constitute an event of default under the Ordinance and is hereby called an "Event of Default":

(1) a default shall be made in the observance or performance of any covenant or contract or other provision in the Ordinance and such default shall continue for a period of thirty (30) days after written notice to the Village from the Registered Owner specifying any such default and requiring the same to be remedied; or

(2) there shall be filed by the Village a petition seeking an adjustment of indebtedness under any applicable law or statute of the United States of America or of the State of Illinois.

Section 602. Enforcement by Registered Owner. Upon the happening or continuance of an Event of Default or an event which upon sufficient notice may become an Event of Default, the Registered Owner may proceed to protect and enforce any rights of the Registered Owner under the laws of the State of Illinois or under the Ordinance by such suits, actions or proceedings in equity or at law, either for specific performance of any covenant or contract contained herein or in aid or execution of any power granted or for any legal or equitable remedy as the Registered Owner shall deem most effectual to protect and enforce the rights aforesaid. No remedy by the terms of the Ordinance conferred upon or reserved to the Registered Owner is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder now or hereafter existing at law or in equity or by statute. No delay or omission of any Registered Owner to exercise any right or power accruing upon any default shall impair any such right, power or shall be construed to be a waiver of any such default, and every right, power and remedy available to the Registered Owner may be exercised from time to time and as often as may be deemed expedient by the Registered Owner.

Section 603. No Personal Liability. No recourse shall be had for the payment of the principal of the TIF Note or for any claim based thereon or on the Ordinance against any officer of the Village, any one executing the TIF Note; provided however, that nothing herein shall bar recourse in mandamus or otherwise to any such person or officer in his corporate as opposed to individual capacity.

ARTICLE VII Miscellaneous

Section 701. Defeasance. If the Village shall pay or cause to be paid to the Registered Owner or to an account designated by the Registered Owner the principal of the TIF Note at the times and in the manner stipulated therein and in the Ordinance, then the pledge of the Pledged Amount and the covenants, agreements and other obligations of the Village to the Registered Owner shall be discharged and satisfied.

Section 702. Evidence of Ownership. The ownership of the TIF Note, the amount, number and other identification thereof, and the dates owning same, shall be proved by the registry books. The fact and date of the execution by the Registered Owner or his attorney of any instrument may be proved by the certificate of a notary public or other officer authorized to take acknowledgements in the jurisdiction in which the person purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of any person to execute any consent or other instrument executed by or on behalf of a Registered Owner which is a corporation or other entity may be established without further proof if such instrument is signed by a person purporting to be an officer of such corporation and certified resolutions of such corporation or entity authorizing such act are furnished.

Section 703. Invalidity of Any Section. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 704. Publication. The Village Clerk is hereby authorized to publish this ordinance in pamphlet form.

Section 705. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this Ordinance shall be in full force and effect immediately from and after its passage and approval as provided by law.

PASSED THIS #RD day of November , 2014

VOTE	AYE	NAY	ABSENT	ABSTAIN
Trustee Karen V. Mills	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Trustee Anna Newell	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Trustee Gary J. Pilafas	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Trustee Gary G. Stanton	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Trustee Michael Gaeta	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Trustee Gayle Vandenberg	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Mayor William D. McLeod	<u> X </u>	<u> </u>	<u> </u>	<u> </u>

APPROVED THIS 3rd DAY OF November , 2014

William D. McLeod
Village President

ATTEST:

David Roman
Village Clerk

Published in pamphlet form this 6th day of November , 2014.

**EXHIBIT B
FORM OF TIF NOTE**

REGISTERED
No. R-1

UP TO \$ 550,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTIES OF COOK AND KANE
VILLAGE OF HOFFMAN ESTATES
RESTRICTED TAX INCREMENT ALLOCATION REVENUE NOTE
(BARRINGTON HIGGINS PROJECT), SERIES 2014

REGISTERED OWNER: ALA CARTE ENTERTAINMENT LIMITED PARTNERSHIP
PRINCIPAL AMOUNT: [UP TO \$550,000] NON-INTEREST BEARING
ISSUANCE DATE: _____, 2014
MATURITY DATE: DECEMBER 1, 2021

KNOW ALL PERSONS BY THESE PRESENTS, that the VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS (the "*Village*"), a municipality, home rule unit and municipal corporation under the laws of the State of Illinois, hereby acknowledges itself to owe and for value received promises to pay from the source and as hereinafter provided to the Registered Owner shown above, or registered assigns as hereinafter provided as the absolute owner thereof, the Principal Amount on the Maturity Date shown above, unless optionally prepaid by the Village prior to the Maturity Date.

This Note is issued by the Village as a non-interest bearing obligation, in fully registered form, in consideration for the payment by the Developer of certain "redevelopment project costs" as that term is defined in Section 11-74.4-3(q) of the Act in connection with the Project for the Barrington Higgins Redevelopment Project Area, as such Project is described in that certain Redevelopment Agreement by and between the Village and Ala Carte Entertainment Limited Partnership, a Delaware limited partnership, dated as of November 3, 2014 (the "*Redevelopment Agreement*").

This Note is issued pursuant to Section 6 of Article VII of the 1970 Constitution of the State of Illinois, as supplemented by Division 74.4 of Article 11 of the Illinois Municipal Code (the "*Act*"), and all laws amendatory thereof and supplemental thereto, and specifically as supplemented by the Local Government Debt Reform Act, as supplemented and amended, and the Omnibus Bond Acts, as amended. This Note has been authorized by Ordinance No. _____-2014, entitled "An Ordinance Authorizing the Execution of a Redevelopment Agreement and the issuance of a TIF Note" by the Corporate Authorities (the "*Note Ordinance*"), to all of the provisions of which the Registered Owner, by acceptance of this Note, assents.

Except as otherwise provided, the capitalized terms herein shall have the meanings as provided in the Note Ordinance or the Redevelopment Agreement.

Payment of the principal of this Note shall be made solely as provided in the Note Ordinance, to the Registered Owner hereof as shown on the registration books of the Village maintained by the Finance Director, as note registrar and paying agent (the "*Note Registrar*"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or prepayment date ("*Record Date*") and shall be paid by electronic transfer to the Registered Owner, provided such Registered Owner has given prior written notice to the Note Registrar, containing the electronic transfer instructions, including the name and address of the bank (which shall be in the continental United States), its ABA routing number and the name and account number to which such Registered Owner wishes to have such transfer directed.

The Village has assigned and pledged certain rights, and interest of the Village in and to certain Restricted Incremental Taxes which the Village is entitled to receive pursuant to the Act, in order to pay the principal of the Note. Reference is hereby made to the aforesaid Note

Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to the Note, and the terms and conditions under which the Note is issued and secured.

THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. IF THE PLEDGED AMOUNT IS INSUFFICIENT TO PAY ALL THE PRINCIPAL DUE UNDER THE NOTE, THE REGISTERED OWNER SHALL HAVE NO RECOURSE AGAINST THE VILLAGE, PROVIDED THAT ALL PLEDGED AMOUNTS REQUIRED TO BE DEPOSITED IN THE ACCOUNT FROM TIME TO TIME PURSUANT TO THE TIF ACT AND THE NOTE ORDINANCE HAVE BEEN DEPOSITED INTO THE DEVELOPER ACCOUNT AND THE AMOUNT EQUAL TO THE PLEDGED AMOUNT IN EACH YEAR HAS BEEN USED SOLELY TO PAY AMOUNTS DUE UNDER THE NOTE. THE REGISTERED OWNER SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING AUTHORITY OF THE VILLAGE OR TO USE ANY FUNDS OF THE VILLAGE (OTHER THAN THE PLEDGED AMOUNT) FOR PAYMENT OF THE PRINCIPAL OF THE NOTE. ALL AMOUNTS DUE PURSUANT TO THIS NOTE SHALL BE LIMITED TO THE RESTRICTED INCREMENTAL TAXES.

The Village shall have the right to prepay this Note in whole or in part, at any time, without payment of any penalty or premium.

This Note is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Note Registrar in Hoffman Estates, Illinois, but only in the manner, subject to the limitations provided in the Note Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note or authorized denomination and for the same aggregate Principal Amount will be delivered to the transferee in exchange therefor.

The Village and the Note Registrar may deem and treat the Person in whose name this Note is registered on the Register as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes, and neither the Village nor the Note Registrar shall be affected by any notice to the contrary. This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Note Registrar. The Note shall not be a collateral assignee.

The Village hereby expressly finds and determines that the Maturity Date of this Note does not exceed December 1, 2021.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note did exist, have happened, been done and performed in regular and due form and time as required by law, and the Village hereby covenants and agrees that it has made provision for the segregation of the Incremental Taxes and the Pledged Amount, and that it will properly account for said taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Note Ordinance.

Whenever, under the terms hereof, principal hereof shall become due and payable, the holder of this Note may pursue any remedies, legal or equitable, that are available to collect such unpaid principal.

IN WITNESS WHEREOF the Village has caused this Note to be signed by the manual or duly authorized facsimile signatures of its President and by its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as of the date of delivery hereof, to wit, the ____ day of _____, 2014.

[SEAL]

VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS.

President

Village Clerk

Date of Authentication: _____, 2014

CERTIFICATE
OF
AUTHENTICATION

This Note is the Tax Increment Allocation Revenue Note (Barrington Higgins Project), Series 2014, of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, described in the within-mentioned Note Ordinance.

Village Treasurer

Village of Hoffman Estates, Cook and Kane Counties, Illinois, as Note Registrar

By _____

NOTE REGISTRAR AND PAYING AGENT:
Village Treasurer Village of Hoffman
Estates, Cook and Kane Counties, Illinois

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Here insert Social Security Number,
Employer Identification Number or
other Identifying Number

(Name and Address of Assignee)

the within Note and does hereby irrevocably constitute and appoint

as attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this transfer and assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

Signature guaranteed: _____

By: _____

Its: _____

REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT ("Agreement"), dated this 3rd day of November, 2014, is made by and between the **VILLAGE OF HOFFMAN ESTATES**, Cook and Kane Counties, Illinois, an Illinois municipal corporation and home rule unit of local government (the "**Village**"), and **ALA CARTE ENTERTAINMENT LIMITED PARTNERSHIP**, a Delaware limited partnership (the "**Developer**").

RECITALS

WHEREAS, the Village is a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois and is a "home rule unit" under Section 6(a) of Article VII of the 1970 Constitution; and

WHEREAS, the Village has the authority to promote the health, safety and welfare of the Village and its inhabitants, to encourage private development in order to enhance the local tax base, create employment and ameliorate blight, and to enter into contractual agreements with third persons to achieve these purposes; and

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois (65 ILCS 5/11-74.4-1, *et. seq.*), as from time to time amended (the "**Act**"), the President and Board of Trustees of the Village (the "**Corporate Authorities**") are empowered to undertake the redevelopment of a designated area within its municipal limits in which existing conditions permit such area to be classified as a "blighted area" or a "conservation area" as defined in Section 11.74.4-3(b) of the Act; and

WHEREAS, in accordance with the Act, the Corporate Authorities adopted the following ordinances on December 22, 1986: (1) Ordinance No. 1806-1986, approving a redevelopment plan (the "**Original Redevelopment Plan**"); (2) Ordinance No. 1807-1986, designating the area legally described in **Exhibit A** hereto as the Barrington Higgins Tax Increment Financing District (the "**Redevelopment Project Area**"); and (3) Ordinance No. 1808-1986 adopting tax increment allocation financing for the Redevelopment Project Area; and

WHEREAS, the Corporate Authorities, in accordance with the Act, adopted the following ordinances approving three previous amendments to the Original Redevelopment Plan: (1) Ordinance No. 2890-1997 on February 3, 1997; (2) Ordinance No. 3102-1999, on July 6, 1999; and (3) Ordinance No. 4157-2009, on November 23, 2009; and

WHEREAS, the Village held and conducted a public hearing with respect to a fourth amendment to the Original Redevelopment Plan ("**Amendment No. 4**") at a meeting of the Corporate Authorities held on October 6, 2014, which hearing included consideration of the redevelopment project proposed by the Developer; and

WHEREAS, the Corporate Authorities, after giving all notices required by law and after conducting all public hearings required by law, adopted the following ordinances on November 3, 2014: (1) Ordinance No. ____-2014, approving Amendment No. 4 (the Original Redevelopment Plan, as previously amended and as amended by Amendment No. 4, is herein referred to as the "**Redevelopment Plan**"); and (2) Ordinance No. ____-2014, approving and authorizing the execution of this Agreement with the Developer; and

WHEREAS, the Developer has acquired two parcels, each improved with a restaurant building and accessory parking, located within the Redevelopment Project Area (the parcel commonly known as 2475 W. Higgins Road, Hoffman Estates, IL (PIN 07-07-100-029) is herein referred to as "Restaurant Parcel A" and the parcel commonly known as 2525 W. Higgins Road, Hoffman Estates, IL (PIN 07-07-100-028) is herein referred to as "Restaurant Parcel B", and the two parcels collectively are referred to as the "Site"), the Site being legally described in Exhibit B hereto; and

WHEREAS, the Developer desires to rehabilitate and redevelop the restaurant buildings (the "Restaurants") on the Site, along with certain improvements, all as described in more detail in this Agreement (collectively, the "Project"), and the Developer has provided plans and specifications to the Village (the "Project Plans") describing the scope and intent of the Project; and

WHEREAS, before acquiring the Site, the Developer advised the Village that such acquisition and the completion of the Project were not feasible without the assistance of tax increment allocation financing, and the Village adopted Resolution No. 1565-2014, on May 5, 2014, "A Resolution Declaring An Intent to Reimburse Certain Project Costs" (the "Inducement Resolution"); and

WHEREAS, the Village is desirous of having the Site redeveloped in order to serve the needs of the Village and the community in order to produce increased employment opportunities for area residents and increased tax revenues for the various taxing districts authorized to levy taxes within the Redevelopment Project Area; and

WHEREAS, in order to induce the Developer to rehabilitate and redevelop the Restaurants as described in Project Plans, the President and Board of Trustees of the Village have determined that it is in the best interest of the Village to reimburse the Developer an amount not to exceed Five Hundred Fifty Thousand Dollars (\$550,000) of certain "redevelopment project costs" as that term is defined in Section 11-74.4-3(q) of the Act (collectively, the "Village Incentive"), as further described and provided in Article IV below; and

WHEREAS, but for the Village Incentive, the Corporate authorities find that the Developer could not successfully complete the Project in the matter provided in this Agreement; and

WHEREAS, this Agreement has been submitted to the Developer for consideration and review, the Developer has approved this Agreement; and

WHEREAS, to facilitate the redevelopment of the Restaurants and completion of the Project, the Corporate Authorities have adopted Ordinance No. ____-2014, entitled "An Ordinance Authorizing the Execution of a Redevelopment Agreement and the issuance of a TIF Note" (as amended from time to time, the "Note Ordinance"), approving and authorizing the execution of this Agreement with the Developer and the execution and delivery to the Developer of a note (the "TIF Note"), which shall contain the terms and provisions set forth in this Agreement and in the Note Ordinance; and

WHEREAS, the Corporate Authorities, after due and careful consideration, have determined that the completion of the Project by the Developer and the provision by the Village of the Village Incentive through the issuance of TIF Note described herein, in each case pursuant to this Agreement, will be in furtherance of the Redevelopment Plan and increase employment opportunities, improve the environment of the Village, increase the assessed valuation of the real estate situated within the Village, increase the tax revenues realized by the Village and the various taxing districts authorized to levy taxes within the Redevelopment Project Area, foster increased economic activity within the Village, and otherwise be in the best interests of the Village and the health, safety, morals and welfare of its residents and taxpayers.

NOW THEREFORE, in consideration of the foregoing recitals, the mutual covenants and promises as contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

**ARTICLE I
INCORPORATION OF RECITALS**

The foregoing recitals are material to this Agreement and are incorporated into and made a part of this Agreement as though they were fully set forth in this Article I.

**ARTICLE II
MUTUAL ASSISTANCE**

The Village and Developer (hereinafter each a "**Party**" and collectively the "**Parties**") agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications (and in the Village's case, the adoption of such ordinances or resolutions), as may be necessary or appropriate, from time to time, to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

**ARTICLE III
REDEVELOPMENT PROJECT**

Section 301. Redevelopment Project.

(a) The Developer agrees and covenants that the Project will consist of the acquisition of the Site, and the rehabilitation and redevelopment of the Restaurants, including facade, parking lot circulation and pavement, landscaping, and lighting, all on the Site, as provided in the Project Plans and meeting the requirements of this Agreement.

(b) The Developer has prepared final building and construction plans for all building and site improvements (the "**Construction Plans**") in accordance with the rules, regulations, and ordinances of the Village. The Project Plans and the Construction Plans shall constitute the "**Final Project Documents**". The Developer shall construct the Project or cause the Project to be constructed in accordance with the Final Project Documents and the terms and conditions of this Agreement. The Village may administratively approve minor modifications to the building and site plans, as provided for by the Village Municipal Code.

(c) The Parties agree and acknowledge that development of the Project is in compliance with the Redevelopment Plan and the Act.

(d) The Final Project Documents shall comply with all applicable federal, state, county, municipal or administrative laws, ordinances, rules, regulations, codes and orders (collectively, the "**Legal Requirements**") relating in any manner to the Project, including, without limitation, all environmental laws, the Americans With Disabilities Act, and the Illinois Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*).

Section 302. Construction Commencement and Completion.

(a) The Developer has commenced construction of the Project as of August 1, 2014, and thereafter will diligently pursue completion of the Project. The Developer shall proceed with

commercially reasonable diligence to complete construction of the Project on or before April 1, 2015, which date may be extended by Section 303 or Section 304.

(b) Subject to the terms, conditions and provisions provided below, the Developer has the following general responsibilities (which are not all inclusive) for the planning, design, development, construction and installation of the Project (with the technical assistance of such qualified outside consultants as the Developer, in its discretion, may retain):

(i) securing all authorizations, permits and licenses, including those of a temporary nature, as may be necessary for the construction and intended use of the Project.

(ii) providing, either alone or in conjunction with the Developer's advisers and consultants, the appropriate coordination of all planning and construction of the Project, including the directing and scheduling of construction, all field inspections, tests, surveys and other activities related to the Project.

(iii) providing qualified field personnel for inspecting and reviewing the Project progress and construction of the Project, including final inspection and certification by Developer that, to the best of its knowledge, all work, as constructed, conforms with the approved Final Project Documents;

(vi) providing documentation to the satisfaction of the Village for all expenses to be reimbursed by the Village and of all contractor licenses.

Section 303. Force Majeure. Time is of the essence of this Agreement; however, a Party shall not be deemed in material breach of this Agreement with respect to construction of the Project if such Party fails to timely perform the same and such failure is due in whole or in part to war, acts of God, strikes, labor disputes, inability to procure materials, delay in issuance of necessary permits or authorizations by any governmental body, including but not limited to the Village, through no fault of the Developer 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 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 an 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.

Section 304. Environmental Remediation Delays. Time is of the essence of this Agreement; however, the completion date for the Project may be extended as follows where environmental conditions on the Site are discovered that require significant remediation activities prior to further construction and/or development activities taking place, and the Developer vigorously pursues such remediation. In the event of the discovery of such conditions, the Developer shall, within two (2) weeks of said discovery, inform the Village of the discovery and of the anticipated delay associated with remediation of such conditions. The Board of Trustees shall approve an extension of the completion date by the length of such period of remediation, which approval shall not be unreasonably withheld.

ARTICLE IV VILLAGE INCENTIVE - TIF NOTE

Section 401. Type and Amount of Village Incentive. The Village Incentive shall consist of reimbursement to the Developer of an amount not to exceed Five Hundred Fifty Thousand Dollars

(\$550,000), of which \$500,000 shall be allocated solely to reimburse the Developer for a portion of the actual, documented cost of acquiring Real Estate Parcel B, and of which \$50,000 shall be allocated solely to reimburse the Developer for the professional service costs incurred by the Developer for legal, TIF planning, financial and similar services performed in connection with the Project or this Agreement.

Section 402. Developer's Payment of Total Project Costs.

(a) The Developer shall advance all funds and pay all costs necessary to construct and complete the Project.

(b) For purposes of this Agreement, "**Total Project Costs**" shall mean the actual documented costs paid to third parties and actually expended by the Developer to fully and totally complete the Project in accordance with the Final Project Documents, or any modification to same agreed to in writing by the Parties.

(c) The Parties agree and acknowledge that the expenditures to be reimbursed pursuant to Section 401 in connection with the Village Incentive qualify as "redevelopment project costs" as that term is defined in Section 11-74.4-3(q) of the Act and are eligible for reimbursement under the Act and under this Agreement.

(d) To establish a right of reimbursement for the Village Incentive, the Developer shall submit to the Village Manager a written request for reimbursement in the form of Exhibit C hereto ("**Request for Reimbursement**"), accompanied by copies of the following documents:

- (i) Final certificates of occupancy issued by the Village.
- (ii) Closing escrow disbursement statement, real estate transfer tax declarations and copy of recorded deed to confirm the purchase of Real Estate Parcel B and that the acquisition cost paid at the closing exceeded \$500,000.
- (iii) All final sworn statements and bills of sale from contractors showing payment in full, accompanied by good and sufficient final waivers of lien and lien releases from the general contractor and its subcontractors, with respect to labor and materials incorporated in the Project. In the event of any payment dispute (i.e., a subcontractor refuses to provide a lien waiver to the general contractor), the Developer may furnish the Village proof of payment along with evidence of adequate retention, title indemnity or other assurance posted with the title company sufficient for the title company to insure over such disputed amounts. The documented payments for Total Project Costs paid by the Developer should total less than Two Million Dollars (\$2,000,000), exclusive of the Site acquisition cost.
- (iv) Proof of payment for invoices for legal, TIF planning, financial and similar services performed in connection with the Project or this Agreement, to the extent such fees constitute allowable "redevelopment project costs" as that term is defined in Section 11-74.4-3(q) of the Act ("**Professional Service Fees**").

(e) All records with respect to the administration of the construction of the Project shall be created and maintained in a manner reasonably satisfactory to the Village and which will facilitate a ready determination as to whether or not a particular item of cost is eligible for reimbursement pursuant to the

Act and this Agreement. The Village shall have sixty (60) days after receipt of the Request for Reimbursement from the Developer to approve or disapprove that the items submitted in the Request for Reimbursement.

(f) If the Request for Reimbursement is disapproved, the Village must provide the Developer in writing and in detail with an explanation as to why the expenditures by the Developer to complete acquire the Site and complete the Project were not properly documented.

Section 403. TIF Note. The Village shall issue the TIF Note to the Developer after the Project is completed and the Village's approval of the Request for Reimbursement. The TIF Note shall be in the original principal amount equal to (a) \$500,000, in partial reimbursement of the actual, documented cost of acquiring Restaurant Parcel B, plus (b) the amount of actual, documented Professional Service Fees shown in the Request for Reimbursement, but not to exceed Fifty Thousand Dollars (\$50,000). The TIF Note shall be a non-interest bearing note which is authorized and issued pursuant to the terms and conditions of the Note Ordinance.

Section 404. Maintenance of Fund.

(a) The Village agrees to comply with the provisions of the Note Ordinance. The terms "Incremental Taxes", "Pledged Amount" and "Fund" as used in this Section 404 shall have the meanings given in the Note Ordinance.

(b) The Village agrees that until such time as this Agreement is terminated or all payments due under the TIF Note have been made, (i) the Village will not intentionally take any action or omit to take any action that will affect the continued existence of the Fund or the availability of monies deposited in the Fund to pay the principal amount of the TIF Note, (ii) the Village will take all reasonable actions and submit all documents in a timely manner in order to receive all Incremental Taxes; (iii) the Village will direct the investments of amounts deposited into Fund as provided in the Note Ordinance; and (iv) the Village will comply with all annual reporting requirements set forth in the Act. If any governmental agency having jurisdiction over enforcement of the Act and the subject matter of this Agreement shall determine that this Agreement is contrary to law or if the legitimacy of the Redevelopment Project Area is otherwise challenged before a court or governmental agency having jurisdiction thereof, the Village will, as at its cost and expense (but subject to reimbursement as Defense Costs) defend the integrity of the Redevelopment Project Area and this Agreement. The Developer will fully cooperate with the Village in connection with the foregoing. If funds are not available in the Fund to reimburse the Village for its defense costs, then, in that event, the Developer and the Village shall share equally in the cost of such defense, which expenses, when paid by the Developer, shall be subject to reimbursement as an Eligible Redevelopment Project Cost.

Section 405. No Individual or Personal Liability. Notwithstanding any other statement in this Agreement, the Parties agree that the representations made by the Village in this Agreement and incentives offered in this Article IV are made on behalf of the Village, and the Village President and Board of Trustees are not making such representations personally, are not parties to this Agreement, and shall incur no personal liability in conjunction with this Agreement. Village liabilities under this Agreement is strictly limited to monies available in this Fund.

Section 406. No Third Party Beneficiaries. This Agreement is made for the benefit of the parties and there are no third party beneficiaries.

**ARTICLE V
SPECIAL COVENANTS OF THE DEVELOPER**

Section 501. Real Estate Taxes.

(a) The Developer agrees that it shall pay, when due, any and all real estate taxes and special assessments in respect to the Project, together with all improvements on such Parcel. Failure to timely pay said taxes and/or special assessments shall constitute a breach of this Agreement, subject to the Notice and cure provisions set forth in Article VI of this Agreement.

(b) The Developer acknowledges that the Project is within a Tax Increment Redevelopment Project Area and that all reimbursements provided herein shall be paid from tax increment generated within the Redevelopment Project Area (as limited by the provisions of the Note Ordinance). Therefore, the Developer agrees that if any claim or appeal contesting the validity or amount of any real estate property tax assessment for the Site is filed, the Developer shall provide notice of such claim or appeal, (in compliance with Section 903), together with copies of all documents filed in connection with such claim or appeal to the Village within seven (7) days of the date of filing. The Village shall have the right to contest any such claim or appeal.

Section 502. Compliance with Laws. The Developer represents and warrants to the Village, both as of the date of execution and delivery of this Agreement and for the Term of the Agreement, as follows:

(a) The Developer represents and warrants that the Project shall be constructed and fully completed in a good and workmanlike manner in accordance with all applicable federal, state and county laws and regulations and the Village codes, ordinances and regulations, including but not limited to the Village of Hoffman Estates Zoning Ordinance, Subdivision Code, and other regulations, including but not limited to the building, electric, plumbing and fire codes that are applicable to the Project.

(b) The Developer further certifies that:

(i) It is not barred from contracting with any unit of state or local government as a result of violating Section 33E-3 or 33E-4 of the Illinois Criminal Code (720 ILCS 5/33E-3 and 33E-4).

(ii) It shall comply with the Illinois Drug Free Work Place Act.

(iii) It shall comply with the Equal Opportunity Clause of the Illinois Human Rights Act and the Rules and Regulations of the Illinois Department of Human Rights.

(iv) It shall comply with the Americans with Disabilities Act and Article 2 of the Illinois Human Rights Act (775 ILCS 5/2-101 *et seq.*).

(v) Any construction contracts entered into by the Developer relating to the construction of the Project shall require all contractors and subcontractors to comply with the Illinois Fair Employment Practices Act.

(vi) The Developer is not delinquent in the payment of any tax administered by the Illinois Department of Revenue nor is delinquent in the payment of any money owed to the Village.

(vii) The Developer shall comply with all applicable federal laws, state laws and regulations including without limitation, such laws and regulations relating to minimum wages to be paid to employees, limitations upon the employment of minors, minimum fair wage standards for minors, payment of wages due employees, and health and safety of employees. The Developer agrees to pay its employees, if any, all rightful salaries, medical benefits, pensions and social security benefits pursuant to applicable labor agreements and federal and state statutes, and further agrees to make all required withholdings and deposits therefore. The Developer agrees to maintain full compliance with changing government requirements that govern or apply to the construction of the Project. The Developer understands and agrees that the most recent of such federal, county, state, and local laws and regulations will govern the administration of this Agreement at any particular time. Likewise, new federal, county, state and local laws, regulations, policies and administrative practices may be established after the date of the Agreement has been executed and may apply to this Agreement and the Project. Any lawsuit or complaint of violation of laws that is received by the Developer relative to this Agreement or the Project shall be immediately forwarded to the Village Manager.

(viii) The Developer shall be in compliance with the Village's property maintenance regulations. Further, Developer shall remedy any code violations prior to any payment of the incentive to Developer.

Section 503. Indemnification of Village. Developer, its successors and assigns shall defend, indemnify and hold harmless the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees, from and against any and all civil liabilities, actions, responsibilities, obligations, losses, damages and claims, and all costs and expenses, including but not limited to attorney's fees and expenses (collectively, "Losses") pursuant to any federal, state and local laws including the common law), statutes, ordinances, rules, regulations and other requirements relating to or which the Village and/or its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees may incur from or on account of Developer's use of the Site, any tests or surveys conducted by the Developer, and the construction of the Project, including but not limited to any Losses incurred which are based on tort law, wrongful death and/or a personal injury claim, suit or action and/or any Losses relating to environmental investigation, cleanup, or abatement, whether asserted or unasserted, direct or indirect, existing or inchoate, known or unknown, having arisen or to arise in the future, and in any manner whatsoever incurred by reason of Developer's or worker's activities at the Site or the Project. It is expressly understood, agreed upon and the specific intent of this Agreement that the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees will at no time assume responsibility or liability for the actions of Developer or any of the workers or other persons on the Site. As between the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees and Developer, Developer shall at all times be held solely responsible to all persons on the Site present there because of the Project and work thereon. Developer and its successors and assigns hereby agree to release, waive, covenant not to sue and forever discharge the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees, for any claim, suit or action, whether or not well founded in fact or in law, which Developer and the workers have, or may have, arising out of the Project, except to the extent that any contamination occurs as a result of actions taken after the date of this Agreement by the Village or any of its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees, and except for any claim or action which Developer, its successors and assigns may have under this Agreement.

Section 504. Insurance.

(a) The Developer, and any successor in interest to the Developer, shall obtain or cause to be obtained and continuously maintained when required during the Term of this Agreement, insurance as set forth below. The Developer shall provide a copy of all policies to the Village with proof that the premiums for such insurance have been paid and the insurance is in effect. The insurance coverage described below is the minimum insurance coverage that the Developer must obtain and continuously maintain. Prior to and during the commencement of construction of any portion of the Project, the Developer shall obtain (or cause its contractor to obtain) and continuously maintain the following:

(i) Workers' compensation insurance with statutory coverage;

(ii) Commercial general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with limits against bodily injury and property damage of not less than \$5,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis. The Village shall be named as an "additional insured" with respect to such policy and protected in accordance with a clause in form and content satisfactory to the Village. Developer's Policy shall be primary and non-contributory.

(b) After completion of construction of the Project and for so long as the Developer owns the Site, the Developer shall obtain and continuously maintain the following: (i) fire insurance and extended coverage on a replacement basis for ninety percent (90%) of the insurable value of the Project at the date of completion, and (ii) commercial general liability insurance meeting the requirements of Section 504(a)(ii) above.

(c) All insurance required in this Article shall be obtained and continuously maintained in responsible insurance companies selected by the Developer or its successors that are authorized under the laws of the State to assume the risks covered by such policies. Unless otherwise provided in this Article, each policy must contain a provision that the insurer will not cancel nor modify the policy without giving written notice to the insured and the Village at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Developer, or its successor or assign, must renew the existing policy or replace the policy with another policy conforming to the provisions of this Article. In lieu of separate policies, the Developer or its successor or assign, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

(d) In the event of damage or destruction to the Project by fire or other casualty during construction or thereafter while the TIF Note is outstanding, any insurance proceeds received from such loss (after deducting any expenses incurred in collection thereof) shall be applied to the restoration, reconstruction and repair of the Project to at least the value and substantially the same character as prior to the damage or destruction, subject however to the rights and prior claims of (and subject to the application of such proceeds pursuant to the direction of) any holder of a deed of trust, mortgage or similar encumbrances on the Site securing loans, advances or extension of credit to finance or from time to time refinance all of part of the Project.

Section 505. Developer Responsible for All Utility Relocation and MWRDGC Fees. The Developer agrees that it will pay all utility relocation fees or any fees imposed with respect to the Project by the Metropolitan Water Reclamation District of Greater Chicago.

Section 506. Operation of the Restaurants. The Developer agrees that it will, from and after the date of certification by the Village that the Project has been constructed in accordance with this Agreement, use commercially reasonable efforts to operate the Restaurants for the Term of this Agreement, using the design and brand concepts indicated in the Project Documents (or replacements thereof reasonably acceptable to the Village), but this covenant does not obligate the Developer to increase its equity investment in the Restaurants or operate at a loss or in an uneconomic manner.

Section 507. Signage. All signage to be located upon the Site shall be subject to Village Board approval and in accordance with all applicable Village ordinances and permitting requirements, which approval shall not be unreasonably withheld.

Section 508. Assignment.

(a) The Developer shall not encumber or collaterally assign this agreement for any purpose. The Developer further agrees not to absolutely assign this Agreement to any person or entity except to a Developer Affiliate (as hereafter defined). Any transfer to a Developer Affiliate is subject to the prior written consent of the Village, which consent shall not unreasonably be withheld, subject to the provisions of paragraphs (b) and (c) below; provided, however, that nothing in this Agreement shall preclude the granting of easements, licenses or rights of way to utility companies.

(b) The Village, in its discretion and opinion, may approve any transfer of this Agreement to any trust or legal entity in which Fred Hoffman and/or Mark Hoffmann are at least 51% owners ("Developer Affiliate").

(c) If the Developer requests consent to an assignment, (i) the Developer shall provide such information as may reasonably be requested to indicate that the operation of the Project will continue to be managed and operated in the manner that benefits the goals and objectives of the Redevelopment Plan; (ii) the Developer Affiliate shall have executed and delivered to the Village an instrument stating that such transferee has read this Agreement and agrees to be bound by its terms, including, but not limited to, this Section 508, and, (iii) if such transferee is not a natural person, the Developer Affiliate shall have delivered to the Village written opinion of counsel to such Developer Affiliate covering such matters as the Village may reasonably request with regard to the due authorization, delivery and enforceability of the transferee's assumption of this Agreement.

(d) Upon consummation of a transfer complying with the provisions of this Section 508, the Developer shall be relieved from all further liability under this Agreement with respect to the interest so transferred.

(e) Each reference to the Developer in this Section 508 shall be deemed to include the successors and permitted assigns of the Developer under this Agreement, including the person or persons acquiring all or a portion of the interest of such members and any shareholders, members or partners of any successor or permitted assign of the Developer.

Section 509. Payment of Taxes and Fees. Except as provided in Section 501 of this Agreement the Developer agrees to promptly pay or cause to be paid as the same become due, any and all fees, rent, taxes and governmental charges of any kind that may at any time be lawfully assessed with respect to the Project or required under this Agreement. The Developer certifies that it is not delinquent in the payment of any tax administered by the Illinois Department of Revenue or any tax or fee administered by the Village. The Developer does not owe the Village any money prior to the execution of this Agreement and knows of no proposed additional tax or assessment against it by any governmental authority, that would

be reasonably likely to have a material adverse effect on the business, condition (financial or otherwise) or operations of the Developer.

Section 510. Environmental Matters. The Developer shall not dispose of or release any hazardous substance, material, contaminant, or pollutant, as defined by any federal or state environmental laws, in, under, on or about the Site. The Developer, at its costs, shall remediate any hazardous substance, contaminant or pollution or other dangerous environmental condition that it (or its employees, agents or contractors) creates or causes with respect to the Project in accordance with all federal, state, county and local applicable laws and regulations. The Developer shall indemnify and hold the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees harmless against any claim, suit, loss, liability or damage, including, attorneys fees and expenses incurred by the Village and/or its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees in defending itself or complying with applicable laws and regulations, arising out of or relating to the disposal or release of any hazardous substance, material, contaminant, or pollutant during performance of the Project in, under, on or about the Site by the Developer.

Section 511. Reimbursement of Village of Hoffman Estates. If at any time a court of competent jurisdiction enters an order requiring the Village to refund, pay or transfer any funds into the Fund as reimbursement for TIF moneys paid to the Developer, the Developer shall reimburse the Village for such amounts. The Village will appeal any such order if the Developer makes a timely written request to the Village to appeal the order and Developer pays all costs and fees associated with the appeal.

ARTICLE VI REMEDIES FOR BREACH OF AGREEMENT

Section 601. Developer Events of Default. The following shall be Events of Default with respect to this Agreement:

(a) If any material representation made by Developer in this Agreement, or in any certificate, notice, demand or request made by a party hereto, in writing and delivered to the Village pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made; provided, however, that such default shall constitute an Event of Default only if Developer does not remedy the default within thirty (30) days after written notice from the Village.

(b) Default by Developer for a period of thirty (30) days after written notice thereof in the performance or breach of any material covenant contained in this Agreement, or any other agreement, financing or otherwise, concerning the existence, structure or financial condition of Developer and/or the Project and Property.

(c) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer in an involuntary 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 appointing a receiver, liquidator, assignee, custodian, trustee, (or similar official) of 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 unstayed and in effect for a period of thirty (30) consecutive days.

(d) The commencement by 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 Developer to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, (or similar official) of Developer or of any substantial part of the

Property, or the making by any such entity of any assignment for the benefit of creditors or the failure of Developer generally to pay such entity's debts as such debts become due or the taking of action by Developer in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others and not dismissed within thirty (30) consecutive days.

(e) Failure to have funds to meet Developer's obligations; provided, however, that such default shall constitute an Event of Default only if Developer does not remedy the default within thirty (30) days after written notice from the Village.

(f) Developer abandons the Project on the Property. Abandonment shall be deemed to have occurred when work stops on the Property for more than thirty (30) days for any reason other than: (i) Force Majeure or (ii) if Developer is ahead of its planned construction schedule.

(g) Developer materially fails to comply with applicable governmental codes and regulations in relation to the construction and maintenance of the buildings contemplated by this Agreement; provided, however, that such default shall constitute an Event of Default only if the Developer does not, within thirty (30) days after written notice from the Village, remedy the default.

(h) If the Developer refuses or fails to construct the Project in conformance with the Final Project Documents and consistent with the provisions of this Agreement, the Village may, in its sole discretion, terminate this Agreement and the Village's obligation to make any payment due under this Agreement shall terminate and the Village shall not be obligated to pay any kind of compensation, damages, or penalties to the Developer.

Section 602. Village Events of Default. The following shall be Events of Default with respect to this Agreement:

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

(b) Default by the Village in the performance or breach of any material covenant, warranty or obligation contained in this Agreement; including but not limited to failure by the Village to issue the TIF Note or make any payment due in accordance with the terms thereof, provided, however, that such default shall constitute an Event of Default only if the Village does not remedy the default within thirty (30) days after written notice from the Developer.

Section 603. Remedies for Default. In the case of an Event of Default hereunder:

(a) The defaulting Party shall, upon written notice (in accordance with Section 903) from the non-defaulting party, take immediate action to cure or remedy such Event of Default. If, in such case, any monetary Event of Default is not cured within thirty (30) days, or if in the case of a non-monetary Event of Default, action is not taken or not diligently pursued, or if action is taken and diligently pursued but such Event of Default or breach shall not be cured or remedied within a reasonable time, but in no event more than ninety (90) additional days after receipt of such notice, unless extended by mutual agreement, then the non-defaulting party, may institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such default or breach, including, but not limited to, proceedings to compel specific performance of the defaulting party's obligations under this Agreement.

(b) In case the Village shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason, then, and in every such case, Developer and the Village shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of Developer and the Village shall continue as though no such proceedings had been taken.

(c) In the case of an Event of Default by Developer, and its failure to cure such default after due notice and within the time frames provided for in this Agreement, in addition to any other remedies at law or in equity, the Village shall have the right, thirty (30) days after notice to the Developer indicating its intent to terminate, to terminate this Agreement by action of the Corporate Authorities. Termination of the Agreement shall not cancel any obligations of the Village under the TIF Note to the extent of the principal amount then outstanding.

(d) Any payment required of the Developer under the terms of this Agreement shall be a lien upon the Site which may be foreclosed in the same manner and with the same effect as in the foreclosure of a mortgage upon real estate, subject however to the prior rights and claims of any holder of a deed of trust, mortgage or similar encumbrances on the Site securing loans, advances or extension of credit to finance or from time to time refinance all of part of the Project.

(e) In the case of an Event of Default by the Village and its failure to cure such default after due notice and within the time period provided for in this Agreement, in addition to any other remedies at law or in equity, the Developer shall be relieved, during the entire period of any such ongoing Default, of its obligations under this Agreement if it so elects, and the Developer shall have the right, if it so elects, to terminate this Agreement.

Section 604. No Waiver by Delay or Otherwise. Any delay by either Party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under this Agreement shall not operate to act as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that neither Party should be deprived of or limited in the exercise of the remedies provided in this Agreement because of concepts of waiver, laches or otherwise); nor shall any waiver in fact made with respect to any specific Event of Default be considered or treated as a waiver of the rights by the waiving Party of any future Event of Default hereunder, except to the extent specifically waived in writing. No waiver made with respect to the performance, or the manner or time thereof, of any obligation or any condition under the Agreement shall be considered a waiver of any rights except if expressly waived in writing.

Section 605. Rights and Remedies Cumulative. The rights and remedies of the Parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the exercise of any one or more of such remedies shall not preclude the exercise by such Party, at that time or different times, of any other such remedies for the same Event of Default.

ARTICLE VII REPRESENTATIONS AND WARRANTIES

Section 701. Developer's Representations and Warranties. The Developer represents and warrants that:

(a) Its general partner is a duly organized and validly existing Illinois corporation under the laws of the State of Illinois. The Developer has all requisite corporate power and authority to enter into

this Agreement and to consummate the transactions contemplated by this Agreement and this Agreement has been duly executed and delivered by authorized members of the Developer and is legally binding upon and enforceable against the Developer in accordance with its terms.

(b) The Developer is not a party to any contract or agreement or subject to any charter, operating agreement, article of organization or other limited liability company restriction which materially and adversely affects its business, property or assets, or financial condition. Neither the execution and delivery of this Agreement nor compliance with the terms of this Agreement will conflict with, or result in any breach of the terms, conditions or restrictions of, or constitute a default under, or result in any violation of, or result in the creation of any liens upon the properties or assets of the Developer pursuant to, the operating agreement or articles of incorporation of the Developer, any award of any arbitrator or any agreement (including any agreement with members), instrument, order, judgment, decree, statute, law, rule or regulation to which the Developer is subject.

(c) There is no action, suit, investigation or proceeding pending, or to the knowledge of the Developer, threatened against or affecting the Developer, at law or in equity, or before any court, arbitrator, or administrative or governmental body, nor has the Developer received notice in respect of, nor does it have any knowledge of, any default with respect to any judgment, order, writ, injunction, or decree of any court, governmental authority or arbitration board or tribunal, which in either case might reasonably be expected to result in any material adverse change in the business, condition (financial or otherwise) or operations of the Developer or the ability of the Developer to perform its obligations under this Agreement.

(d) The execution, delivery and performance of this Agreement have been duly authorized by all requisite corporate action.

(e) The Developer has filed all federal, state and other income tax returns which, to the knowledge of the officers of the Developer, are required to be filed, and each has paid all taxes as shown on such returns and on all assessments received by it to the extent that such taxes have become due, except such taxes as are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with generally accepted accounting principles. The Developer knows of no proposed additional tax or assessment against it by any governmental authority that would be reasonably likely to have a material adverse effect on the business, condition (financial or otherwise) or operations of the Developer.

(f) The Developer has, or is able to obtain, funds in an amount not less than that required to complete construction of the Project.

Section 702. Village Representations and Warranties. The Village represents and warrants that:

(a) The Village is a municipal corporation under the laws of the State of Illinois with power and authority under its home rule powers and the Act to enter into this Agreement and to consummate the transactions contemplated by this Agreement.

(b) To the best of its knowledge and belief, the execution of this Agreement and the consummation of the transactions contemplated by this Agreement will not result in any breach of, or constitute a default under, any agreement, contract, lease, mortgage, indenture, deed of trust or other instrument to which the Village is a party, nor violate any federal, state or local ordinance or statute.

(c) There is no action, suit or proceeding pending, or to the knowledge of the Village threatened, against or affecting the Village, at law or in equity, or before any governmental authority

which, if adversely determined, would impair the Village's ability to perform its obligations under this Agreement.

(d) All actions of the President and Board of Trustees of the Village required to be taken to authorize execution of this Agreement have been validly and duly taken in accordance with law and the officers of the Village signing this Agreement have been duly authorized to execute this Agreement on behalf of the Village.

(e) The Project as set forth in this Agreement will not result in the displacement of residents from inhabited units under Section 11-74.4-3(n)(5) of the Act.

Section 703. Disclosure. In accordance with Illinois law, 50 ILCS 105/3.1, simultaneously with the execution of this Agreement by the parties, the Developer or an authorized managing member thereof shall submit a sworn affidavit to the Village disclosing the identity of every owner and beneficiary who shall obtain any interest, real or personal, in the Project, and every shareholder entitled to receive more than 7½% of the total distributable income of any corporation after having obtained such an interest in the Project or, alternatively, if a corporation's stock is publicly traded, a sworn affidavit by an officer of the Developer or its managing agent that there is no readily known individual who shall obtain a greater than 7½% percent interest, real or personal, in the Developer or the Project. The sworn affidavit shall be substantially similar to the one described in EXHIBIT D attached hereto and made a part of this Agreement. Said affidavit shall be updated, as necessary.

ARTICLE VIII PROVISIONS PERTAINING TO LENDERS

Section 801. Right to Collaterally Assign. Developer may not collaterally assign this Agreement..

ARTICLE IX GENERAL PROVISIONS

Section 901. Entire Agreement; Successors and Assigns; Amendments. This Agreement, and the Exhibits attached to it contain the entire agreement between the Parties in connection with these transactions, and there are no oral or parole agreements, representations or inducements existing between the parties relating to these transactions which are not expressly set forth in this Agreement and covered by this Agreement. This Agreement may not be modified except by a written agreement signed by all of the parties or their successors in interest, and in the case of the Village, shall require the adoption of an ordinance or resolution by the President and Board of Trustees of the Village approving such amendment. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement, their respective heirs, legal representatives, administrators, successors, successors in interest and assigns.

Section 902. Governing Law; Interpretation; Partial Invalidity. This Agreement shall be governed by the laws of the State of Illinois. The captions, section numbers and article numbers appearing in this Agreement are inserted only as a matter of convenience and do not define, limit, construe or describe the scope or intent of such paragraphs or articles of this Agreement nor in any way affect this Agreement. The invalidity of any provision of this Agreement or portion of a provision shall not affect the validity of any other provision of this Agreement or the remaining portions of the applicable provision.

Section 903. Notices. All notices, demands, requests, consents, approvals or other instruments required or permitted to be given under this Agreement shall be in writing and shall be executed by the

Party or an officer, agent or attorney of the Party, and shall be deemed to have been effective as of the date of actual delivery, if by messenger delivery, on the date of transmission if transmitted via facsimile during normal business hours (9:00 a.m. to 5:00 p.m.), or as of the third (3rd) day from and including the date of posting, if deposited in the United States mail, postage prepaid, registered or certified mail, addressed as follows (or to such other address as may be designated from time to time by either Party by written notice to the other):

If to the Developer: Mr. Mark Hoffmann, Vice President
Ala Carte Entertainment Limited Partnership
2330 Hammond Dr Ste G
Schaumburg, IL 60173-3869

With a copy to: Bruce K. Huvad, Esq.
Cohen, Salk & Huvad, P.C.
630 Dundee Road, Suite 120
Northbrook, Illinois 60062

If to the Village: Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, Illinois 60169
Attn: Village Manager

With a copy to: Arthur L. Janura, Jr.
Arnstein & Lehr LLP
120 Riverside Plaza, Suite 1200
Chicago, Illinois 60606

Section 904. Conflict of Interest: Village's Representative Not Individually Liable. No member, official or employee of the Village shall have any personal interest, direct or indirect, in this Agreement; nor shall any such member, official or employee participate in any decision relating to this Agreement which affects such person's interests or the interests of any corporation, partnership, or association in which such person is directly or indirectly interested. No member or employee of the Village has acquired any interest direct, or indirect, in the Site. No member, official, or employee of the Village shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the Village or for any amount which may become due to the Developer or successor or on any obligation under the terms of this Agreement, except as such shall be found to be caused by a violation of Section 4(n) of the Act.

Section 905. Municipal Limitation. All commitments or obligations of the Village undertaken pursuant to this Agreement shall be limited to the extent that such obligations are within its powers as a municipal corporation.

Section 906. Costs. Any cost and expense incurred by either Party with regard to the preparation of this Agreement shall be borne exclusively by such Party with no right to reimbursement from the other except as provided in this Agreement.

Section 907. Recording. The Parties agree that this Agreement will be recorded by the Village, at its cost, with the Cook County Recorder's Office after execution thereof by the Parties.

Section 908. No Joint Venture. Nothing contained in this Agreement is intended by the Parties to create a joint venture between the Parties. It is understood and agreed that this Agreement does not

provide for the joint exercise by the Parties of any activity, function or service, nor does it create a joint enterprise, nor does it constitute either Party as an agent of the other for any purpose whatsoever.

Section 909. Counterparts. This Agreement may be executed in several counterparts and by each Party on a separate counterpart, each of which, when so executed and delivered, shall be an original, but all of which together shall constitute but one and the same instrument. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the Party against whom enforcement is sought.

Section 910. Authority to Execute. Each signatory on behalf of a Party to this Agreement warrants and represents that he or she is a duly authorized representative of that Party, with full power and authority to agree to this Agreement, and all terms herein, on behalf of that Party.

Section 911. Exhibits. The following exhibits are attached hereto and made a part hereof or incorporated herein by reference and made a part hereof:

EXHIBIT A - Legal Description of the Barrington Higgins Tax Increment Financing District

EXHIBIT B - Legal Description of the Site

EXHIBIT C - Form of Request for Reimbursement

EXHIBIT D - Disclosure Affidavit

Section 912. Approvals. The Developer recognizes and agrees that the Village shall exercise reasonable discretion with regard to all approvals and permits as required by ordinance relating to the Project, including, but not limited to, approval of the Final Project Documents, demolition permits, excavation permits, grading permits, building permits, certificates of occupancy and failure on the part of the Village to grant any approval or issue any permit shall not be deemed as the cause of a default by the Developer under this Agreement or give rise to any claim or damages against or liability to the Village pursuant to this Agreement.

Section 913. Effective Date - Term of Agreement. This Agreement shall be deemed dated and become effective on the date the Corporate Authority approves this Agreement and shall remain in effect thereafter.

IN WITNESS WHEREOF, the parties to this Agreement have set their hands and seals to this Agreement on the day and year first above written.

VILLAGE OF HOFFMAN ESTATES

ALA CARTE ENTERTAINMENT LIMITED PARTNERSHIP

By: HOFFMANN ENTERPRISES, INC.
an Illinois corporation, General Partner

By: _____
Name: William D. McLeod
Title: Village President

By: _____
Name: Mark Hoffmann
Title: Vice President

Date: _____

Date: _____

ATTEST:

By: _____
Name: Bev Romanoff
Title: Village Clerk

Date: _____

EXHIBIT A
Legal Description of the Barrington Higgins Tax Increment Financing District

All that part of the Northwest Fractional 1/4, of Section 7, in Township 41 North, Range 10, East of the Third Principal Meridian, lying southerly of the 240 foot wide right of way of State Route No. 72 and lying northerly of the center line of Old Higgins Road, as it is now constructed and travelled,' (also excepting therefrom the west 50 feet of said Section 7, being the right of way of Barrington Road, as now dedicated), (also excepting therefrom a tract of land heretofore conveyed to Harvey Bierman and described as follows: beginning at the intersection of the north line of Old Higgins Road and the east line of Barrington Road; thence northerly along the east line of Barrington Road 201.20 feet; thence easterly 201.20 feet; thence south 231.76 feet to the north line of Old Higgins Road; thence northwesterly along the north line of Old Higgins Road, 203.51 feet to the place of beginning, in the northwest 1/4, of Section 7, Township 41 North, Range 10, east of the Third Principal Meridian, in Cook County, Illinois, and also excepting that part condemned by the Department of Transportation in Case No. 84 L 052729, and also excepting: beginning at a point 50.0 feet east (as measured at right angles thereto from the west line of said fractional northwest 1/4, said point beginning, lying 404.24 feet south from the north line of said northwest fractional 1/4, and being the intersection of the east right of way line of Barrington Road and the southwesterly right of way line of Higgins Road (Route No. 72); thence southeasterly along the southwesterly right of way line of Higgins Road, 94.36 feet to a point of curvature in said line; thence continuing along said right of way line of a curve to the left having a radius of 9968.18 feet a distance of 160.64 feet; thence southwesterly, a distance of 99.56 feet to a point on a line drawn 130.0 feet east of and at right angles to the east right of way line of Barrington Road at a point lying 240.0 feet south from the point of beginning; thence west 150.0 feet on said line drawn at right angles to the said east right of way line of Barrington Road to said point lying 240.0 feet south from point of beginning; thence north on said east right of way line of Barrington Road, a distance of 240.00 feet to the point of beginning all in Schaumburg Township, in Cook County, Illinois.

EXHIBIT B

LEGAL DESCRIPTION OF THE SITE

Restaurant Parcel A – (Morettis)

2475 West Higgins Road

LOT 5 IN RESTAURANT MALL, BEING A SUBDIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 7, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NUMBER 04016244, IN COOK COUNTY, ILLINOIS.

Pin 07-07-100-029

Restaurant Parcel B -- (Whiskey River)

2525 West Higgins Road

LOT 4 IN RESTAURANT MALL, BEING A SUBDIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 7, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NUMBER 04016244, IN COOK COUNTY, ILLINOIS.

Pin 07-07-100-028

EXHIBIT C

Form of Request for Reimbursement

[Date]

Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, Illinois 60169
Attention: Village Manager

Re: Redevelopment Agreement, dated _____, 2014 (the "Agreement")
By and Between the Village of Hoffman Estates, Illinois and
Ala Carte Entertainment Limited Partnership (the "Developer").

The undersigned herewith transmits the following to the Village as required by Section 402(d) of the Agreement:

- (i) Final certificates of occupancy issued by the Village.
- (ii) Closing escrow disbursement statement, real estate transfer tax declarations and copy of recorded deed to confirm the purchase of Real Estate Parcel B and that the acquisition cost paid at the closing exceeded \$500,000.
- (iii) All contracts and sworn statements and bills of sale from contractors showing payment in full, accompanied by good and sufficient final waivers of lien and lien releases from the general contractor and its subcontractors, with respect to labor and materials incorporated in the Project. In the event of any payment dispute (i.e., a subcontractor refuses to provide a lien waiver to the general contractor), the Developer may furnish the Village proof of payment along with evidence of adequate retention, title indemnity or other assurance posted with the title company sufficient for the title company to insure over such disputed amounts.
- (iv) Paid invoices for legal, TIF planning, financial and similar services performed in connection with the Project or this Agreement ("Professional Service Fees").

The undersigned hereby certifies to the Village that the above delivered items are true and accurate copies of the original documents and represent accurately in all material respects the cost to acquire Restaurant Parcel B and the Total Project Costs (as summarized in Schedule 1 attached hereto) paid by the undersigned to complete the Project in accordance with the Agreement, as well as the Professional Service Fees in the amount of \$_____ incurred in connection with the preparation of Amendment No. 4, the preparation of studies, projections and analyses in connection therewith, and legal fees incurred in connection with said amendment, the preparation of this Agreement and services rendered in connection with the approval and the issuance of the TIF Note.

The undersigned requests that the TIF Note be issued to the Developer in the principal amount of \$_____, of which \$500,000 will be used to reimburse the Developer for a portion of the cost of acquiring Restaurant Parcel B, and \$_____ will be used to reimburse the Developer for Professional Service Fees.

The undersigned certifies that

(i) The Total Project Costs documented by this Request for Reimbursement were made or incurred or financed and were necessary for the Project and were made or incurred in accordance with the construction contracts, plans and specifications heretofore in effect;

(ii) The expenditures set forth in Schedule 1 attached hereto represent proper Total Project Costs, have been properly recorded on the Developer's books, and are accurately summarized in Schedule 1; and

(iii) The Developer is not in default under the Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under Agreement.

**ALA CARTE ENTERTAINMENT LIMITED
PARTNERSHIP**, a Delaware limited partnership

By: **HOFFMANN ENTERPRISES, INC.**
an Illinois corporation, General Partner

By: _____
Mark Hoffmann, Vice President

Date: _____

APPROVED:

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

By: _____
Village Manager

Date: _____

EXHIBIT D

DISCLOSURE AFFIDAVIT

State of Illinois)
)
County of Cook)

THE DEVELOPER MUST SIGN THIS AFFIDAVIT

I, Mark Hoffmann, reside at _____, County of Cook, State of Illinois, being first duly sworn and having personal knowledge of the below facts, swear to the following:

That I am over the age of eighteen and am the vice-president of Hoffmann Enterprises, Inc, the General Partner of the Developer.

That the Redevelopment Site in question includes two parcels with common street addresses as follows: 2475 W. Higgins Road, Hoffman Estates, IL (PIN 07-07-100-028) is herein referred to as "Restaurant Parcel A" and the parcel commonly known as 2525 W. Higgins Road, Hoffman Estates, IL (PIN 07-07-100-029) is herein referred to as "Restaurant Parcel B", and the two parcels collectively are referred to as the "Site".

That I understand that pursuant to 50 ILCS 105/3.1, prior to execution of the Redevelopment Agreement between the Developer and the Village, state law requires the owner, authorized trustee, corporate official or managing agent to submit a sworn affidavit to the Village disclosing the identity of every owner and beneficiary who will obtain any interest, real or personal, in the Redevelopment Site, and every shareholder who will be entitled to receive more than 7.5% of the total distributable income of any corporation having any interest, real or personal, in the Redevelopment Site after this transaction is consummated.

As the corporate official for the Developer, I declare under oath that (choose one):

- (a) The owners, beneficiaries or partners of the Developer are: or
- (b) The shareholders of Hoffmann Enterprise, Inc., with more than 7 1/2% interest are:

This instrument is made to induce the Village to enter into the Redevelopment Agreement and in accordance with 50 ILCS 105/3.1.

Affiant: _____

Subscribed and Sworn to before me this ____ day
of _____, 2014.

EXHIBIT B
FORM OF TIF NOTE

REGISTERED
NO. R-1

UP TO \$ 550,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTIES OF COOK AND KANE
VILLAGE OF HOFFMAN ESTATES
RESTRICTED TAX INCREMENT ALLOCATION REVENUE NOTE
(BARRINGTON HIGGINS PROJECT), SERIES 2014

REGISTERED OWNER: ALA CARTE ENTERTAINMENT LIMITED PARTNERSHIP
PRINCIPAL AMOUNT: [UP TO \$550,000] NON-INTEREST BEARING
ISSUANCE DATE: _____, 2014
MATURITY DATE: DECEMBER 1, 2021

KNOW ALL PERSONS BY THESE PRESENTS, that the VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS (the "Village"), a municipality, home rule unit and municipal corporation under the laws of the State of Illinois, hereby acknowledges itself to owe and for value received promises to pay from the source and as hereinafter provided to the Registered Owner shown above, or registered assigns as hereinafter provided as the absolute owner thereof, the Principal Amount on the Maturity Date shown above, unless optionally prepaid by the Village prior to the Maturity Date.

This Note is issued by the Village as a non-interest bearing obligation, in fully registered form, in consideration for the payment by the Developer of certain "redevelopment project costs" as that term is defined in Section 11-74.4-3(q) of the Act in connection with the Project for the Barrington Higgins Redevelopment Project Area, as such Project is described in that certain Redevelopment Agreement by and between the Village and Ala Carte Entertainment Limited Partnership, a Delaware limited partnership, dated as of November 3, 2014 (the "Redevelopment Agreement").

This Note is issued pursuant to Section 6 of Article VII of the 1970 Constitution of the State of Illinois, as supplemented by Division 74.4 of Article 11 of the Illinois Municipal Code (the "Act"), and all laws amendatory thereof and supplemental thereto, and specifically as supplemented by the Local Government Debt Reform Act, as supplemented and amended, and the Omnibus Bond Acts, as amended. This Note has been authorized by Ordinance No. _____-2014, entitled "An Ordinance Authorizing the Execution of a Redevelopment Agreement and the issuance of a TIF Note" by the Corporate Authorities (the "Note Ordinance"), to all of the provisions of which the Registered Owner, by acceptance of this Note, assents.

Except as otherwise provided, the capitalized terms herein shall have the meanings as provided in the Note Ordinance or the Redevelopment Agreement.

Payment of the principal of this Note shall be made solely as provided in the Note Ordinance, to the Registered Owner hereof as shown on the registration books of the Village maintained by the Finance Director, as note registrar and paying agent (the "Note Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or prepayment date ("Record Date") and shall be paid by electronic transfer to the Registered Owner, provided such Registered Owner has given prior written notice to the Note Registrar, containing the electronic transfer instructions, including the name and address of the bank (which shall be in the continental United States), its ABA routing number and the name and account number to which such Registered Owner wishes to have such transfer directed.

The Village has assigned and pledged certain rights, and interest of the Village in and to certain Restricted Incremental Taxes which the Village is entitled to receive pursuant to the Act, in order to pay the principal of the Note. Reference is hereby made to the aforesaid Note

Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to the Note, and the terms and conditions under which the Note is issued and secured.

THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. IF THE PLEDGED AMOUNT IS INSUFFICIENT TO PAY ALL THE PRINCIPAL DUE UNDER THE NOTE, THE REGISTERED OWNER SHALL HAVE NO RECOURSE AGAINST THE VILLAGE, PROVIDED THAT ALL PLEDGED AMOUNTS REQUIRED TO BE DEPOSITED IN THE ACCOUNT FROM TIME TO TIME PURSUANT TO THE TIF ACT AND THE NOTE ORDINANCE HAVE BEEN DEPOSITED INTO THE DEVELOPER ACCOUNT AND THE AMOUNT EQUAL TO THE PLEDGED AMOUNT IN EACH YEAR HAS BEEN USED SOLELY TO PAY AMOUNTS DUE UNDER THE NOTE. THE REGISTERED OWNER SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING AUTHORITY OF THE VILLAGE OR TO USE ANY FUNDS OF THE VILLAGE (OTHER THAN THE PLEDGED AMOUNT) FOR PAYMENT OF THE PRINCIPAL OF THE NOTE. ALL AMOUNTS DUE PURSUANT TO THIS NOTE SHALL BE LIMITED TO THE RESTRICTED INCREMENTAL TAXES.

The Village shall have the right to prepay this Note in whole or in part, at any time, without payment of any penalty or premium.

This Note is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Note Registrar in Hoffman Estates, Illinois, but only in the manner, subject to the limitations provided in the Note Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note or authorized denomination and for the same aggregate Principal Amount will be delivered to the transferee in exchange therefor.

The Village and the Note Registrar may deem and treat the Person in whose name this Note is registered on the Register as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes, and neither the Village nor the Note Registrar shall be affected by any notice to the contrary. This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Note Registrar. The Note shall not be a collaterally assignable.

The Village hereby expressly finds and determines that the Maturity Date of this Note does not exceed December 1, 2021.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note did exist, have happened, been done and performed in regular and due form and time as required by law, and the Village hereby covenants and agrees that it has made provision for the segregation of the Incremental Taxes and the Pledged Amount, and that it will properly account for said taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Note Ordinance.

Whenever, under the terms hereof, principal hereof shall become due and payable, the holder of this Note may pursue any remedies, legal or equitable, that are available to collect such unpaid principal.

IN WITNESS WHEREOF the Village has caused this Note to be signed by the manual or duly authorized facsimile signatures of its President and by its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as of the date of delivery hereof, to wit, the ____ day of _____, 2014.

[SEAL]

VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS.

President

Village Clerk

Date of Authentication: _____, 2014

CERTIFICATE
OF
AUTHENTICATION

This Note is the Tax Increment Allocation Revenue Note (Barrington Higgins Project), Series 2014, of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, described in the within-mentioned Note Ordinance.

Village Treasurer
Village of Hoffman Estates, Cook and Kane Counties, Illinois, as Note Registrar

By _____

NOTE REGISTRAR AND PAYING AGENT:
Village Treasurer Village of Hoffman
Estates, Cook and Kane Counties, Illinois

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

[Redacted box]

Here insert Social Security Number,
Employer Identification Number or
other Identifying Number

(Name and Address of Assignee)

the within Note and does hereby irrevocably constitute and appoint

as attorney to transfer the said Note on the books kept for registration thereof with full power of
substitution in the premises.

Dated: _____.

NOTICE: The signature to this transfer and assignment must correspond with the name of the
Registered Owner as it appears upon the face of the within Note in every particular,
without alteration or enlargement or any change whatever.

Signature guaranteed: _____

By: _____

Its: _____