

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

FY 2016

Name of Redevelopment Project Area: IL Route 12 & Sayton Road	
Primary Use of Redevelopment Project Area*:	Combination/Mixed
If "Combination/Mixed" List Component Types:	Commercial/Residential
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law _____

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A		X
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D	X	
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H		X
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits from any source equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only, not actual agreements labeled Attachment M		X

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

FY 2016

TIF NAME: IL Route 12 & Sayton Road

Fund Balance at Beginning of Reporting Period \$ 271,186

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 37,321	\$ 361,844	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 661	\$ 1,733	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where current or prior year(s) have reported funds

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 37,982

Cumulative Total Revenues/Cash Receipts \$ 363,577 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 9,102

Distribution of Surplus

Total Expenditures/Disbursements \$ 9,102

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ 28,880

FUND BALANCE, END OF REPORTING PERIOD* \$ 300,066

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3) \$ (699,934)

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY 2016

TIF NAME: IL Route 12 & Sayton Road

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Legal Services	3,210	
Bank Charges	580	
Postage	57	
Audit Fees	2,634	
Engineering	2,621	
		9,102
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly: property acquisition, building demolition, site preparation and environmental site improvement costs. Subsections (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

SECTION 3.2 A

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14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 9,102

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2016

TIF NAME: IL Route 12 & Sayton Road

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

X No property was acquired by the Municipality Within the Redevelopment Project Area

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

FY 2016

TIF NAME: IL Route 12 and Sayton Road

*Page 1 is to be included with TIF Report. Pages 2-3 are to be included **ONLY** if projects are listed.

Box below must be filled in with either a check or number of projects, not both

Check if **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area: X

ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE

Private Investment Undertaken (See Instructions)			\$ -
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 2:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT to the Redevelopment Agreement (the "*Original Agreement*") dated April 28, 2015 and between the Village of Fox Lake, Lake and McHenry Counties, Illinois, an Illinois municipal corporation (the "*Village*") and FXLK, LLC, an Illinois limited liability company (the "*Developer*"), is dated this 28 day of July, 2015.

PREAMBLES:

WHEREAS, the Village is a non-home rule unit of local governmental organized under the 1970 Constitution and the laws of the State of Illinois and as such has authority to promote the health, safety and welfare of the Village and its citizens; authority to encourage private investment in industry, business and housing thereby enhancing the tax base of the Village; authority to ameliorate blight; and, authority to enter into 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 "*TIF Act*"), the President and Board of Trustees of the Village (collectively, 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 either a "conservation area" or "blighted area" (or a combination thereof) as defined in Section 11.74.4-3(a) of the TIF Act; and,

WHEREAS, as authorized by the TIF Act, the Corporate Authorities entered into the Original Agreement with the Developer for the purpose of inducing the redevelopment of approximately twenty-one (21) acres located in the Village and fronting Route 12 on the north

and Pistakee Lake on the east (the "*Subject Property*") which the Corporate Authorities designated a "Redevelopment Project Area" pursuant to the TIF Act; and,

WHEREAS, after approving the Original Agreement, the Village was advised that the Developer is an Iowa company and should have been referred to as "FXLK, LC" and not FXLK, LLC, an Illinois Limited Liability Company, as stated in said Original Agreement; and,

WHEREAS, an issue has also been raised regarding Section 5(c) of the Original Agreement which provides that if the real estate taxes are not paid on any single parcel of property within the Redevelopment Project Area, the Village would be relieved of all of its obligations to reimburse the Developer for any project costs; and,

WHEREAS, the Developer intends to market the properties within the Redevelopment Project Area for development after the Developer constructs all of the necessary infrastructure to service such properties and therefore reimbursement by the Village should not be discontinued based on the failure on the part of the Developer's successors and assigns to pay real estate taxes for any single parcel of property within the Redevelopment Project Area; and,

WHEREAS, after discussion by the parties to the Original Agreement it has been agreed that Section 5(c) of the Original Agreement should be amended as hereinafter set forth.

NOW, THEREFORE, the parties, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Section 1. Incorporation of Preambles.

The parties agree that all of the recitals contained in the Preambles to this First Amendment to the Original Agreement are true and correct and are hereby incorporated into this First Amendment as though they were fully restated in this Section 1.

Section 2. Correction of the Name of the "Developer".

The Original Agreement stated the Developer as FXLK, LLC, an Illinois Limited Liability Company, and should have correctly stated that the Developer is FXLK, LC, an Iowa liability company, whose President and General Partner is Stephen L. Emerson. It is hereby agreed that FXLK, LC is hereby deemed to be the Developer for purposes of undertaking all actions, covenants, agreements and obligations of the Developer under the Original Agreement, this First Amendment and all future actions, covenants, agreements and obligations under any additional documentation relating to the Subject Property.

Section 3. Amendment to Section 5(c) of the Original Agreement.

Section 5(c) of the Original Agreement is hereby amended by deleting said Section 5(c) in its entirety and replacing it with the following:

“(c) Reimbursement of approved Redevelopment Project Costs shall be made semi-annually within twenty (20) days of each Staff Allocation Date; provided, that such reimbursement shall only be made to the extent money is available therefore in the FXLK Fund. To the extent money in the FXLK Fund is insufficient to reimburse the Developer for Redevelopment Project Costs, the Village shall pay the unreimbursed Redevelopment Project Costs on the next payment date.

Notwithstanding the foregoing, if money is not available in the FXLK Fund to reimburse the Developer for Redevelopment Project Costs and the reason therefore is that the Developer or its successor or assigns have not been paid real estate taxes levied against any parcel of property (or parcels of properties) in the Redevelopment Project Area, the Village shall be relieved of any obligation to make any further reimbursement to the Developer for

Redevelopment Project Costs related to said parcel of property for which taxes have not been paid until such real estate taxes are paid in full.”

Section 4. Confirming all other Sections.

All other sections of the Original Agreement are hereby affirmed.

Section 5. Counterparts.

This First Amendment to the Redevelopment Agreement may be executed in two counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same throughout.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to the Redevelopment Agreement to be executed by their duly authorized officers as of 28 of July, 2015.

Village of Fox Lake, an Illinois municipal corporation

By:



Village President

Attest:



Village Clerk

FXLK, LC, an Iowa liability company

By:



Stephen L. Emerson, General Partner

Attest:



Secretary

REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (the "*Agreement*"), is made and entered into as of the 28 day of April, 2015, by and between the Village of Fox Lake, Lake and McHenry Counties, an Illinois municipal corporation (the "*Village*") and FXLK, LLC, an Illinois limited liability company (the "*Developer*").

P R E A M B L E S:

WHEREAS, the Village is a non-home rule unit of local government organized under the 1970 Constitution and the laws of the State of Illinois and as such has authority to promote the health, safety and welfare of the Village and its citizens; authority to encourage private investment in industry, business and housing thereby enhancing the tax base of the Village; authority to ameliorate blight; and, authority 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 "*TIF Act*"), the President and Board of Trustees of the Village (collectively, 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 either a "conservation area" or "blighted area" (or a combination thereof) as defined in Section 11.74.4-3(a) of the TIF Act; and,

WHEREAS, pursuant to its powers and in accordance with the requirements of the TIF Act, in 2004, the Corporate Authorities authorized Thompson Dyke & Associates, Ltd., to undertake such surveys and analyses as required by the TIF Act to assess the conditions of a certain area located along Illinois Route 12, legally described on *Exhibit A* attached hereto and made a part hereof (the "*Redevelopment Project Area*"); and, thereafter prepare a redevelopment

plan setting forth a general land use plan, a summary of goals and estimated redevelopment project costs, and such other findings, summary of conditions and statements as required by the TIF Act, (the “*Original Redevelopment Plan*”); and,

WHEREAS, pursuant to its powers and in accordance with the requirements of the TIF Act, based upon the findings of Thompson Dyke & Associates, Ltd. and the Original Redevelopment Plan, the Corporate Authorities, on February 10, 2004, adopted Ordinance 2004-08 approving the Original Redevelopment Plan and Project, adopted Ordinance No. 2004-09 designating the Redevelopment Project Area as a “redevelopment project area” (as that term is defined under the TIF Act) and adopted Ordinance No. 2004-10, adopting tax increment allocation financing for the purpose of implementing the Original Redevelopment Plan for the Redevelopment Project Area; and,

WHEREAS, since the approval of the Original Redevelopment Plan by the Corporate Authorities, numerous proposals have been made to develop the Redevelopment Project Area as a mixed use district in order to include such uses which would permit the development to capitalize on its unique environment due to the natural resources in the area; and,

WHEREAS, the Corporate Authorities proceeded to authorize Thompson Dyke & Associates, Ltd., to prepare the necessary amendment to the Original Redevelopment Plan to permit the development of mixed uses for the Redevelopment Project Area which amendment was approved by the Corporate Authorities on January 23, 2007; and,

WHEREAS, the Developer is an experienced Developer having been involved in approximately two million square feet of commercial real estate development in the Midwest and has proposed to develop the Redevelopment Project Area with a combination of commercial uses and senior housing; and,

WHEREAS, the Developer has been authorized by the legal titleholder of the real estate comprising the Redevelopment Project Area (the "*Subject Property*"), to negotiate and execute this Agreement providing for the development of the Subject Property for "Commercial Uses", as hereinafter defined including such public works and infrastructure as necessary for the development of the Redevelopment Project Area Project (collectively, the "*Project*"); and,

WHEREAS, the Village and the Developer agree that Commercial Uses shall be deemed to include, at a minimum, a hotel with the number of rooms as dictated by a market study undertaken by the Developer at its sole cost and expense (the "*Hotel Project*"), and additional structures with such commercial uses as approved by the Village (the "*Commercial Project*"), and may include an age restricted residential development as hereinafter provided (the "*Residential Project*"); and,

WHEREAS, the Developer has requested financial assistance from the Village in order to undertake the Project due to the extraordinary measures required to prepare the site and construct the necessary infrastructure required to service the Project and has warranted that without the financial assistance, the Developer could not proceed with the Project; and,

WHEREAS, in order to induce the Developer to undertake the development of the Redevelopment Project Area, the Corporate Authorities determined that it is in the best interest of the Village and the health, safety, morals and welfare of the residents of the Village for the Village to financially assist with Redevelopment Project Costs as permitted by the TIF Act pursuant to the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Section 1. Incorporation of Preambles; Conditions Precedent.

(a) The Parties agree that all of the recitals contained in the Preambles to this Agreement are true and correct and are hereby incorporated into this Agreement as though they were fully restated in this *Section 1*.

(b) The obligations of the Village as hereinafter set forth in this Agreement are contingent upon the following:

- (i) approval of all zoning amendments deemed necessary for the construction of the Project in accordance with all applicable Village ordinances, resolutions and regulations, it being understood that approval of this Agreement does not imply or constitute approval of any such amendment;
- (ii) the recordation of a covenant which shall run with the Subject Property in perpetuity, stating that such covenant may only be waived or enforced by the school districts having jurisdiction over the Redevelopment Project Area, requiring the Residential Project to be age restricted to adult persons 55 years of age or older;
- (iii) the Village and the Developer acknowledge that the Subject Property is currently zoned B-4 Resort Business District with a Planned Unit Development designated;
- (iv) IDOT approvals as required for ingress and egress to Route 12;
- (v) any component of the Commercial Project shall include only such commercial uses as approved by the Village; and,
- (vi) notwithstanding anything herein to the contrary, the Project must include the Hotel Project as hereinabove defined, and no Residential Project shall be approved prior to the completion of the Hotel Project.

Section 2. Development Plan.

(a) On or before March 1, 2016, the Developer shall have proof of authority from the legal titleholder of the Subject Property to deliver to the Village a Preliminary Plat providing for the development of no less than one (1) commercial structure, on the Subject Property and such infrastructure as may be required to service such structure.

(b) On or before March 1, 2017, the Developer represents and warrants that it shall submit a Final Plat for the Subject Property which shall generally conform to the concept plan, attached hereto and made a part hereof as *Exhibit Band* include, at a minimum the plan for the Hotel Project.

Section 3. Construction Schedule; Developer Obligations.

(a) The Developer covenants and agrees to commence construction of either the Hotel Project or a component of the Commercial Project on or before December 1, 2017 and diligently proceed with construction thereof. The Developer covenants and agrees to complete the Hotel Project and no less than fifty percent (50%) of the Commercial Project on or before December 31, 2018.

(b) The Developer covenants and agrees that the development of the Redevelopment Project Area as a whole, upon completion, shall require an investment of no less than \$50,000.00.

(c) The Developer covenants and agrees to construct the Project in accordance with all applicable laws, ordinances, regulations of the Village and the State of Illinois, including all approvals and permits issued in connection with the Project (the "*Legal Requirements*").

(d) The Developer covenants and agrees to maintain its business entity as a limited liability company in good standing with the State of Illinois.

(e) The Developer covenants and agrees, during the term of this Agreement to abide by the requirements of the Illinois Prevailing Wage Act, if applicable, as from time to time amended.

(f) The Developer covenants and agrees to pay all taxes levied on property within the Redevelopment Project Area owned by it; and, to pay all permit fees; impact fees, if any; water

bills; sales taxes; amusement taxes, if any; refuse collection fees; fines, assessments or any other amounts due to the Village, County of McHenry or State of Illinois pertaining to the Redevelopment Project Area.

Section 4. Village Obligations.

Upon satisfaction and continuing compliance with all of the conditions hereinabove set forth in Section 3, the Village covenants and agrees to the following:

(a) So long as the Developer has complied with all of the terms and conditions pertaining to the Subject Property and the Project as hereinabove set forth; and, so long as no event of default described in Section 20 of this Agreement shall have occurred and be continuing, the Village shall semi-annually reimburse the Developer for Redevelopment Project Costs (as hereinafter defined) as listed on *Exhibit B* attached hereto and made a part hereof, pursuant to the procedures hereinafter set forth, after a certificate of occupancy has been issued for either a structure included in the approved Commercial Project or the Hotel Project. For purposes of this Agreement, "Redevelopment Project Costs" shall mean and include all costs defined as "redevelopment project costs" in Section 11-74.4-3(q) of the TIF Act which are eligible for reimbursement under the TIF Act.

(b) Upon completion of a structure as any approved component of the Commercial Project or the Hotel Project accordance with the Legal Requirements and the terms of this Agreement and issuance of a certificate of occupancy by the Village for either, so long as no event described in Section 20 of this Agreement shall have occurred and be continuing, the Village shall reimburse the Developer for Redevelopment Project Costs incurred by the Developer within respect to such Commercial Project component or the Hotel Project in accordance with the procedures outlined below.

(c) The Village has established a special tax allocation fund solely for the Redevelopment Project Area (the “*STAF*”) into which the Village shall deposit incremental real estate taxes, as hereinafter received from the Redevelopment Project Area.

(d) On August 1 and November 1 of each year [or, if later, that date which is ten (10) days following the date upon which the Village receives Incremental Taxes (as defined below) from real estate taxes (the “*STAF Allocation Date*”)], the percentages of Incremental Taxes, as stated below, with respect to the Subject Property during the period from the immediately preceding semi-annual STAF Allocation Date to, but not including, the current STAF Allocation Date shall be transferred from the STAF and deposited into a Sub-Account (the “*FXLK Subaccount*”) of the STAF (which Subaccount shall be automatically created by the ordinance approving this Agreement) and used solely to reimburse the Developer for Redevelopment Project Costs in accordance with this Agreement (the “*Pledged Revenues*”), as follows:

For years 2017 through and including 2012, 90% of the Incremental Taxes;

For years 2022 through and including 2026, 80% of the Incremental Taxes; and,

For years 2027 through 2039 (2039 payable in 2040), 75% of the Incremental Taxes.

THE VILLAGE’S OBLIGATIONS TO REIMBURSE THE DEVELOPER UNDER THIS AGREEMENT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM INCREMENTAL TAXES DEPOSITED IN THE FXLK SUBACCOUNT OF THE STAF FROM TIME TO TIME AND SHALL NOT BE SECURED BY THE FULL FAITH AND CREDIT OF THE VILLAGE. As used in this Agreement, “*Incremental Taxes*” shall mean the amount in the STAF equal to the amount of ad valorem taxes, if any, paid in respect of the

Redevelopment Project Area and its improvements which is attributable to the increase in the equalized assessed value of all the parcels of property located therein over the initial equalized assessed value said parcels.

Section 5. Procedures for Reimbursement to the Developer.

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

(b) To establish a right of reimbursement for a specific Redevelopment Project Costs under this Agreement, the Developer shall submit to the Village President or his or her designated officer or employee, a written request in the form attached to this Agreement as *Exhibit CD* (a "Request for Reimbursement") setting forth the specific Redevelopment Project Costs for which reimbursement is sought. Each Request for Reimbursement shall be accompanied by such bills, contracts, invoices, lien waivers or other evidence as the Village President or his or her designee shall reasonably require to evidence the right of the Developer to the reimbursement. The Village President or his or her designee shall have twenty (20) days after receipt of any Request for Reimbursement from the Developer to recommend approval for immediate payment or disapproval of such Request and, if disapproved, to provide the Developer in writing and in detail with an explanation as to why he or she is not prepared to recommend such reimbursement. The only reasons for disapproval of any expenditure for which reimbursement is sought shall be that such expenditure is not an eligible Redevelopment Project Cost under the TIF Act or the construction of the specific Project component for which reimbursement is sought, was not completed by the Developer in accordance with the approved Legal Requirements and the provisions of this Agreement. The parties acknowledge that the determination of Redevelopment Project Costs and qualification for reimbursement under this

Agreement are subject to the TIF Act, all amendments to the TIF Act both before and after the date of this Agreement, and administrative rules and judicial interpretations rendered during the term of this Agreement. The Village has no obligation to the Developer to attempt to modify said rules or decisions but will cooperate with the Developer in obtaining approval of Redevelopment Project Costs.

(c) Reimbursement of Redevelopment Project Costs shall be made semi-annually within twenty (20) days of each Staff Allocation Date for approved Redevelopment Project Costs; provided, that reimbursement of Redevelopment Project Costs shall only be made to the extent money is available therefore in the FXLK Fund. To the extent money in the FXLK Fund is insufficient to reimburse the Developer for Redevelopment Project Costs, the Village shall pay the unreimbursed Redevelopment Project Costs on the next annual payment date.

Notwithstanding the foregoing, if money is not available in the FXLK Fund to reimburse the Developer for Redevelopment Project Costs and the reason therefore is that the Developer is not paying real estate taxes levied against properties in the Redevelopment Project Area, the Village shall be relieved of any obligation to make any further reimbursement to the Developer for Redevelopment Project Costs.

Section 6. No Recourse. Developer hereby covenants and agrees that no recourse under or upon any obligation or agreement contained herein or for any claim based thereon shall be had against the Village, its officers, agents, attorneys, representatives or employees in any amount in excess of any specific sum agreed by the Village to be paid hereunder, subject to the terms and conditions contained herein, and no liability, right or claim at law or in equity shall attach to or shall be incurred by the Village, its officers, agents, attorneys, representatives or employees in any amount in excess of any specific sum agreed by the Village to be paid hereunder, subject to

the terms and conditions contained herein, and any such excess rights or claims against the Village, its officers, agents, attorneys, representatives, or employees are hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement by the Village.

Section 7. Term. Unless earlier terminated pursuant to *Section 1820*, the term of this Agreement shall commence on the date of execution and end on or before December 31, 2040.

Section 8. No Liability of Village to Others for Developer's Expense. The Village shall have no obligation to pay costs relating to the Project or to make any payments to any person or entity other than the Developer, nor shall the Village be obligated to pay any contractor, subcontractor, mechanic, or material man providing services or materials to the Developer for the development of the Project.

Section 9. Time; Force Majeure. Time is of the essence of this Agreement; provided, however, a party shall not be deemed in material breach of this Agreement with respect to any obligations of this Agreement on such party's part to be performed if such party fails to timely perform the same and such failure is due in whole or in part to any strike, lock-out, labor trouble (whether legal or illegal), civil disorder, weather conditions, failure or interruptions of power, riots, insurrections, fuel shortages, casualties, floods, earthquakes, fires, acts of God, epidemics, quarantine restrictions, freight embargoes, 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 any extension for the performance of the unsatisfied obligation equal to the period of the delay, which period shall commence to run from the time of

the commencement of the Force Majeure; provided that the failure of performance was reasonably caused by such Force Majeure.

Section 10. Assignment. This Agreement may not be assigned by the Developer except to an assignee for collateral purposes only as set forth in Section 11, without the prior written consent of the Village, which consent shall not be unreasonably withheld. Upon approval of an assignment, the Developer shall execute an assumption and assignment agreement in substantial conformance with *Exhibit E* attached hereto after which Developer shall be released from liability for the component of the Project for which a certificate of occupancy has been issued, by the Village or, in the case of infrastructure, that portion which has been accepted by the Village.

Section 11. Construction Financing. Developer may at any time and from time to time assign to any construction lender or other mortgagee ("*Mortgagee*") its rights and interests hereunder as collateral for a construction loan or other financing in connection with any component of the Project (the "*Collateral Assignment*"). Village shall consent to such Collateral Assignment, subject to the following: In the event that any Mortgagee or successor to a Mortgagee shall succeed to the interests of Developer in any component of the Project pursuant to or as a result of remedies under the applicable construction loan documents or other mortgage and/or under any related documents, including the Collateral Assignment ("*Mortgage Documents*"), whether by foreclosure, deed-in-lieu of foreclosure or other rights granted under such Mortgage Documents, the Village shall attorn to and recognize Mortgagee or such successor, only if such Mortgagee or successor shall accept and execute, in writing, an assumption of the duties of Developer and an assignment of the rights and obligations of Developer, effective from and after the date of such acceptance. In the event that Mortgagee or such other successor, as the case may be, shall not accept and execute an assumption and/or

assignment for the rights and obligations of Developer, then payments pursuant to this Agreement shall cease and the Village shall have all rights and remedies as set forth in this Agreement.

Section 12. Developer Indemnification. The Developer shall indemnify and hold harmless the Village, its agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise directly or indirectly from any third-party claims made against the Village as a result of the failure of the Developer or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee thereof is hired by the Developer) to timely pay any contractor, subcontractor, laborer or material men; from any default or breach of the terms of this Agreement by the Developer; or from any negligence or reckless or willful misconduct of the Developer or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee is hired by the Developer). The Developer shall, at its own cost and expense, appear, defend and pay all charges of attorneys, costs and other expenses arising there from or incurred in connection therewith. If any judgment shall be rendered against the Village, its agents, officers, officials or employees in any such action, the Developer shall, at its own expense, satisfy and discharge the same. The paragraph shall not apply, and the Developer shall have no obligation whatsoever, with respect to any acts of negligence or reckless or willful misconduct on the part of the Village or any of its officers, agents, employees or contractors.

Section 13. Issuance of TIF Obligations.

(a) So long as no event of default or notice of an event of default or breach of this Agreement, upon the request of the Developer, the Village agrees to issue limited obligation revenue bonds ("*TIF Obligations*") on the condition that the TIF Obligations are payable solely from the Pledged Revenues and not secured by the full faith and credit of the Village, and to deposit the proceeds therefrom into a fund established by the Bond Ordinance for disbursement to pay Redevelopment Project Costs incurred in connection with the Project (the "*Project Fund*").

(b) Proceeds from the TIF Obligations shall be applied only to costs of issuance, capitalized interest, any debt service reserve requirements and to pay Redevelopment Project Costs to finance the Project as permitted by the TIF Act and this Agreement.

(c) The Developer covenants to cooperate and take all reasonable actions necessary to assist the Village and its agents and officers in the preparation of offering statements, private placement memorandum or other disclosure documents and all other documents necessary to prepare, market and sell the TIF Obligations. If TIF Obligations are issued by the Village, the pledge of the Pledged Revenues to the payment of all debt service thereon shall be a covenant running with the land, enforceable as if any subsequent transferee thereof were originally a party to and bound by this Agreement. All costs incurred in connection with the issuance and sale of the TIF Obligations shall be paid from the proceeds of the sale of the TIF Obligations.

(d) The Village shall have the right to select such financial advisors and consultants as deemed necessary for the issuance of the TIF Obligations.

(e) So long as any TIF Obligations are outstanding, the Village shall not issue any other indebtedness or obligations secured by the Pledged Revenues pledged to the payment of the debt service thereof.

Section 14. Waiver. Any party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless the party waiving such right or remedy does so in writing. No such waiver shall obligate such party to waive any right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party pursuant to this Agreement.

Section 15 Severability. If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of this Agreement or the application of same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

Section 16. Notices. All notices, demands, requests, consents, approvals or other instruments required or permitted by 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 delivered personally, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

To the Developer:

FXLK, LLC
119 SW Adams Street
Peoria, Illinois 61602
Attn: Keith Weinstein

Aspect Inc.
118 2nd Street SE #260
Cedar Rapids, Iowa 52401
Attn: Steve Emerson

With a copy to:

Schain Banks Kenny & Schwartz, Ltd.
70 West Madison Street, Suite 5300

Chicago, Illinois 60602
Attn: Robert Kenny

To the Village:
Village of Fox Lake
66 Thillen
Fox Lake, Illinois 60020
Attn: Village President

With a copy to:
Kathleen Field Orr
Kathleen Field Orr & Associates
53 West Jackson Blvd.
Suite 964
Chicago, Illinois 60604

Section 17. Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns.

Section 18. No Joint Venture, Agency or Partnership Created. Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.

Section 19. No Discrimination—Construction. The Developer for itself and its successors and assigns agrees that the Developer shall not discriminate against any employee or applicant for employment at the Project because of race, color, religion, sex, age handicapped status, national origin, creed, sexual orientation or ancestry. The foregoing prohibition on discrimination shall apply to all personnel and employment actions taken by Developer with respect to the Project, including but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, and termination.

Section 20. Remedies – Liability.

(a) If, in the Village's judgment, the Developer is in material default of this Agreement, the Village shall provide the Developer with a written statement indicating in adequate detail any failure on the Developer's part to fulfill its obligations under this Agreement. Except as required to protect against further damages, the Village may not exercise any remedies against the Developer in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the Developer diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement.

(b) If the Developer materially fails to fulfill its obligations under this Agreement after notice is given by the Village and any cure periods described in paragraph (a) above have expired, the Village may elect to terminate this Agreement; which shall constitute the Village's sole remedy for Developer's default hereunder or exercise any right or remedy it may have at law or in equity, including the right to specifically enforce the terms and conditions of this Agreement. If any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy or insolvency act shall be filed by or against the Developer, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Developer insolvent or unable to pay the Developer's debts, or the Developer makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for the Developer or for the major part of the Developer's property, the Village may elect, to the extent such election is permitted by law and is not unenforceable under applicable federal bankruptcy laws, but is not required, with or without notice of such election and with or without entry or other

action by the Village, to forthwith terminate this Agreement. To effect the Village's termination of this Agreement under this *Section 20(b)*, the Village's sole obligation shall be to forward to the Developer a Certificate of Default, executed by the President of the Village or such other person as shall be designated by the Village, stating that this Agreement is terminated pursuant to the provisions of this *Section 20(b)* in which event this Agreement, by virtue of the recording of such certificate, shall *ipso facto* automatically become null and void and of no further force and effect.

(c) If, in the Developer's judgment, the Village is in material default of this Agreement, the Developer shall provide the Village with a written statement indicating in adequate detail any failure on the Village's part to fulfill its obligations under this Agreement. The Developer may not exercise any remedies against the Village in connection with such failure until thirty (30) days after giving such notice. After the cure period has expired, the Developer may elect to terminate this Agreement or specifically enforce its terms and conditions. If such default cannot be cured within such thirty (30) day period, such then provided the Village is diligently pursuing the cure of such default, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the Developer in asserting any of its rights as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

(d) The rights and remedies of the parties are cumulative and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time

or different times, of any other rights or remedies for the same default or for any other default by the other party subject to the limitations of remedies contained in this Agreement with regards to the cessation of operation of the Development. In the event a party hereto shall have proceeded to institute proceedings in law or at equity to enforce any provision hereof or to obtain specific performance of any obligation pursuant to this Agreement, the prevailing party of such action shall be entitled to reimbursement of all costs incurred in connection with such proceedings, including attorneys' fees.

Section 21. Amendment. This Agreement, and any exhibits attached to this Agreement, may be amended only in a writing signed by the parties with the adoption of any ordinance or resolution of the Village approving said amendment, as provided by law, and by execution of said amendment by the parties or their successors in interest. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof.

Section 22. Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of ^{7/14/15} ~~5-17-15~~ 4/28/15, 2015.

Village of Fox Lake, an Illinois municipal corporation

By: 
Village President

Attest:

Village Clerk

FXLK, LLC

By: 
Managing Partner/President

Attest:

Secretary

Exhibit A

Redevelopment Project Area

Legal Description of the Subject Property

Exhibit B

Concept Plan

Exhibit C

Redevelopment Project Cost

By category:

Exhibit D

Form of Request for Reimbursement

REQUEST FOR REIMBURSEMENT

[Date]

Village of Fox Lake
66 Thillen
Fox Lake, Illinois

Re: Redevelopment Agreement (the "Agreement") dated _____, 2015, by and between the Village of Fox Lake, Illinois and FXLK, LLC, an Illinois corporation of the State of Illinois (the "Developer")

Dear _____:

You are requested to disburse funds from the FXLK Sub-account pursuant to Section 5 of the Agreement described above in the amount(s) and for the purpose(s) set forth in this Request for Reimbursement. The terms used in this Request for Reimbursement shall have the meanings given to those terms in the Redevelopment Agreement.

1. Request for Reimbursement No.: _____
2. Amount to be Disbursed: _____
3. The amount requested pursuant to this Request for Reimbursement will be used to reimburse the Developer for those Redevelopment Project Costs detailed in Schedule 1 attached to this Request for Reimbursement.
4. The undersigned certifies that:
 - (i) the amounts included in 2 above were made or incurred or financed and were necessary for the Project and were made or incurred in accordance with the construction contracts, plans and specifications heretofore in effect;
 - (ii) the amounts paid or to be paid, as set forth in this Request for Reimbursement, represents a part of the funds due and payable for Redevelopment Project Costs;

- (iii) the expenditures for which amounts are requisitioned represent proper Redevelopment Project Costs have not been included in any previous Request for Reimbursement, for which payment was received, have been properly recorded on the Developer's books and are set forth in Schedule 1, with paid invoices, lien waivers, canceled checks or other evidence attached for all sums for which reimbursement is requested;
- (iv) the Developer is not in default under the Redevelopment Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under the Redevelopment Agreement.

6. Attached to this Request for Reimbursement is Schedule 1, together with copies of invoices, lien waivers, canceled checks or other evidence covering all items for which reimbursement is being requested.

FXLK, LLC., an Illinois limited liability company

Date: _____

By: _____
President

APPROVED:

Village of Fox Lake , an Illinois municipal corporation

Date: _____

Village President

Exhibit E
ASSIGNMENT AND ASSUMPTION

This ASSIGNMENT AND ASSUMPTION OF AGREEMENT (the "Assignment") is made as of the _____ day of 20____ by and between FXLK, LLC, an Illinois limited liability company (hereinafter referred to as the "Assignor") and _____, a corporation (hereinafter referred to as "Assignee").

W I T N E S S E T H:

For good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby assign, transfer, set over and convey unto Assignee any and all of Assignor's right, title and interest in, to and under that certain Redevelopment Agreement dated _____ by and between Assignor and _____ (the ""). A true and correct copy of the Agreement is attached hereto as Exhibit "A" and made a part hereof.

1. Assumption of Obligations. Assignee hereby accepts the assignment of the Agreement subject to the term and conditions hereof, and does hereby assume and become responsible for and agree to perform, discharge, fulfill and observe all of Assignor's obligations, covenants and conditions with respect to the Agreement, with the same force and effect as if Assignee were the original party thereto and agrees to be liable for the observation and performance thereof. The provisions of the preceding sentence and all parts of this Assignment shall inure to the benefit of Assignor and its successors and assigns.

2. Assignor's Obligations. Notwithstanding anything contained herein to the contrary, Assignor shall remain responsible for all obligations, covenants, conditions and provisions accruing prior to the date of this Assignment.

3. Records. Assignor agrees to deliver to Assignee all documents, materials and other information in the possession of Assignor with respect to the Premises.

4. Claims. If either Assignor or Assignee receives notice of a claim, lien or encumbrance relating to the Premises or the Agreement which pertains to an indemnification given by the other party hereunder, the party receiving such notice shall give written notice of the same to the other party.

5. TIF Reimbursement. Unless specifically stated herein, rights to receive TIF Reimbursements are not assigned by this Assumption and Assignment Agreement.

6. Notice. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given if mailed by first class United States mail, postage prepaid registered or certified with return receipt requested, or by delivering same in person to the intended address or by prepaid telegram, as follows:

If to Assignor:

With a copy to:

If to Assignee:

With a copy to:

or at such other place as any party hereto may by notice in writing designate as a place for service of notice hereunder. Notice so mailed shall be effective upon expiration of three (3) business days after its deposit. Notice given in any other manner shall be effective only if and when received by the addressee.

7. Assignee's Indemnification. Assignee shall indemnify, defend and hold harmless Assignor from and against any and all liabilities, obligations, claims, liens or encumbrances in any way related to the Agreement and arising or accruing on or after the date of this Assignment, or in any way related to or arising from any act, conduct, omission, Agreement or commitment of Assignee at any time or times on or after the date of this Assignment.

8. Assignor's Indemnification. Assignor shall indemnify, defend and hold harmless Assignee and the Premises from and against any and all liabilities, obligations, claims, liens or encumbrances in any way related to the Premises and arising or occurring before the date of this Assignment, or in any way related to or arising from any act, conduct, omission, Agreement or commitment of Assignor at any time or times prior to the date of this Assignment, which and indemnification shall survive the subsequent closing with respect to the Premises as described in the Agreement.

9. Successors. The terms, covenants, conditions and warranties herein contained and the powers hereby granted shall inure to the benefit of, and bind, an parties hereto and their respective successors and assigns.

10. Severability. If any provision of this or the application thereof to any entity, person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Assignment and the application of its provisions to other entities, persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

11. Third Party Beneficiaries. It is expressly agreed by Assignor and Assignee that this Assignment shall not be construed or deemed made for the benefit of any third party or parties.

12. Entire Agreement. This document contains the entire agreement between the parties hereto. No variations, modifications or changes herein or hereof shall be binding upon any party hereto, unless set forth in a document duly executed by, or on behalf of, such party.

13. Construction. Whenever used herein and the context requires it, the singular number shall include the plural, the plural the singular, and any gender shall include all genders.

14. Governing Law. The parties agree that the law of the State of Illinois shall govern the performance and enforcement of this Assignment.

15. Counterparts. This Assignment may be executed in one or more multiple counterparts. Each counterpart shall constitute an original and, taken together, shall constitute one and the same document.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the day and year first above written.

ASSIGNEE:

BY:
Name: _____
Title: _____

ASSIGNOR:

BY:
Name: _____
Title: _____

ATTACHMENT B

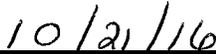
CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Re: Village of Fox lake
Lake & McHenry Counties, IL
Unit Code 049/025/32 - IL Route 12 and Sayton Road

I, Donny Schmidt, the President of the Village of Fox Lake, Lake & McHenry Counties, Illinois, as such, do hereby certify that the Village of Fox Lake has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act for the municipal fiscal year, which began on May 1, 2015 and ended on April 30, 2016 in connection with the administration of the Illinois Route 12 and Sayton Road Tax Increment Redevelopment Project Area.



Chief Executive Officer



Date

Attachment C

LAW OFFICE
KATHLEEN FIELD ORR & ASSOCIATES
53 WEST JACKSON BLVD.
SUITE 964
CHICAGO, ILLINOIS 60604
(312)382-2113
(312)382-2127 facsimile

KATHLEEN FIELD ORR
kfo@kfoassoc.com

October 21, 2016

Leslie Geissler Munger, State Comptroller
Office of the State Comptroller
Local Government Division
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601-3252

Dear Sir:

I have acted as Special Counsel for the Village of Fox Lake, Lake and McHenry Counties, Illinois, in connection with the administration of the Village of Fox Lake's Tax Increment Financing District (*Illinois Route 12/Sayton Road TIF District*).

I have reviewed all information provided to me by the Village Treasurer and the Village Clerk and, to the best of my knowledge and belief, find that the Village has conformed with all of the applicable provisions of the *Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1 *et seq.* for the fiscal year ending April 30, 2016.

Very truly yours,

KATHLEEN FIELD ORR & ASSOCIATES



KATHLEEN FIELD ORR

KFO/kms

**Illinois Route 12 and Sayton Road Joint Review Board
Annual Meeting
October 21, 2015**

Meeting Called to Order

The meeting was called to order at 2:00 P.M.

Roll Call

Donny Schmit, representing Village of Fox Lake

Beth Reich, representing Grant High School District 124

Dr. John Donnellen, representing Fox Lake Elementary School District 114

Also present were Village Administrator, Anne Marrin, Finance Director, Stephanie Hannon, and Grant Township Supervisor, Kay Starostovic.

Motion Related to Appoint Chairperson

A motion by Mayor Donny Schmit to appoint John Donnellen as Chairperson, Motion Seconded by Beth Reich, Motion passed unanimously.

Review of Annual Report for Route 12 Redevelopment Project Area

Finance Director Stephanie Hannon directed the Boards attention to the 2014 and 2015 Annual Reports for Route 12 Redevelopment Project Area which were previously distributed to all affected taxing districts pursuant to Section 65 ILCS 5/11 -74.4-5 (d). Finance Director Hannon discussed and summarized the Annual Reports for FY2014 and FY2015. There were no questions or comments from the members or public.

Adjournment

Motion to adjourn by Beth Reich, Seconded by Kay Starostovic. Upon unanimous voice vote the meeting was adjourned at 2:15 P.M.

VILLAGE OF FOX LAKE, ILLINOIS
TAX INCREMENT FINANCING DISTRICT

REPORT ON COMPLIANCE
WITH PUBLIC ACT 85-1142

For the Year Ended
April 30, 2016

Prepared by the Finance Department



**VILLAGE OF FOX LAKE, ILLINOIS
TAX INCREMENT FINANCING DISTRICT
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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

630.566.8400 // www.sikich.com

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable Mayor
Members of the Board of Trustees
Village of Fox Lake, Illinois

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Fox Lake, Illinois (the Village), as of and for the year ended April 30, 2016, which collectively comprise the basic financial statements of the Village, and have issued our report thereon dated October 18, 2016, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The supplementary information (schedule of revenues, expenditures and changes in fund balance and schedule of fund balance by source) for the Tax Increment Financing Fund is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
October 18, 2016

SUPPLEMENTARY INFORMATION

VILLAGE OF FOX LAKE, ILLINOIS

TAX INCREMENT FINANCING FUND

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

For the Year Ended April 30, 2016

	<u>TIF Fund</u>
REVENUES	
Property Taxes	\$ 37,321
Investment Income	661
	<hr/>
Total Revenues	37,982
	<hr/>
EXPENDITURES	
Community Development	
Professional Services	9,102
	<hr/>
Total Expenditures	9,102
	<hr/>
NET CHANGE IN FUND BALANCE	28,880
FUND BALANCE, MAY, 1	271,186
	<hr/>
FUND BALANCE, APRIL, 30	<u>\$ 300,066</u>

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS
TAX INCREMENT FINANCING FUND
SCHEDULE OF FUND BALANCE BY SOURCE

For the Year Ended April 30, 2016

	TIF Fund
BEGINNING BALANCE, MAY 1, 2015	\$ 271,186
DEPOSITS	
Property Taxes	37,321
Investment Income	661
Total Deposits	37,982
Balance Plus Deposits	309,168
EXPENDITURES AND TRANSFERS	
Community Development	
Professional Services	9,102
Total Expenditures	9,102
ENDING BALANCE, APRIL 30, 2016	\$ 300,066
ENDING BALANCE BY SOURCE	
Property Tax	\$ 300,066
Subtotal	300,066
Less Surplus Funds	-
ENDING BALANCE, APRIL 30, 2016	\$ 300,066

(See independent auditor's report.)



630.566.8400 // www.sikich.com

1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor
Members of the Board of Trustees
Village of Fox Lake, Illinois

We have examined management's assertion, included in its representation letter dated October 18, 2016, that the Village of Fox Lake, Illinois (the Village) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2016. Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with statutory requirements.

In our opinion, management's assertion that the Village of Fox Lake, Illinois, complied with the aforementioned requirements for the year ended April 30, 2016, is fairly stated in all material respects.

This report is intended solely for the information and use of the Village Board, management and the joint review board, the Illinois Department of Revenue and Illinois Comptroller's Office, and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
October 18, 2016

ATTACHMENT M

AGREEMENTS

Fox Lake Elementary School District 114, Agreement dated June 26, 2007
No funds transferred to the District in fiscal year 2016

Grant Community High School District 124, Agreement dated June 26, 2007
No funds transferred to the District in fiscal year 2016