

ORDINANCE NO. 17,959

CITY OF PEORIA, PEORIA COUNTY, ILLINOIS

**DESIGNATING AND APPROVING THE
PEORIA - KELLER STATION
BUSINESS DEVELOPMENT DISTRICT**

and

**IMPOSING A RETAILERS' OCCUPATION TAX,
AND A SERVICE OCCUPATION TAX**

in the

**PEORIA - KELLER STATION
BUSINESS DEVELOPMENT DISTRICT**

**APPROVED BY THE MAYOR AND CITY COUNCIL OF THE
CITY OF PEORIA, PEORIA COUNTY, ILLINOIS
ON THE 8TH DAY OF MARCH, 2022.**

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PREAMBLE

WHEREAS, the City of Peoria, Peoria County, Illinois, (the "City"), an Illinois Home-Rule Municipal Corporation, desires to approve a Redevelopment Plan and designate a Business Development District Redevelopment Area (the "BDD Area") pursuant to the Business District Development and Redevelopment Act (65 ILCS 5/11-74.3 *et. seq.*, and hereinafter referred to as the "Act"), for the proposed **Peoria - Keller Station Business Development District** (the "Business Development District" or "BDD") within the municipal boundaries of the City of Peoria and within the BDD Area as described in *Section 1(a)* of this Ordinance, which area is both blighted and contiguous and includes only those parcels of real property that will directly and substantially benefit from the proposed Business Development District Plan (the "BDD Plan"), pursuant to the Act; and

WHEREAS, pursuant to *Section 11-74.3-2(a)* of the Act, on January 25, 2022, the City approved Ordinance No. 17,930 to propose the approval of a BDD Redevelopment Plan and establish a date for a Public Hearing for the proposed Peoria - Keller Station Business Development District; and

WHEREAS, pursuant to *Section 11-74.3-2(b)* of the Act, due notice in respect to a Public Hearing was given by publication in the *Peoria Journal Star* on February 8, 2022 and February 10, 2022; and

WHEREAS, pursuant to *Section 11-74.3-2(c)* of the Act, on February 22, 2022 the City Council caused a Public Hearing to be held relative to the approval of the BDD Plan and the designation of the BDD Area at the Peoria City Hall, 419 Fulton Street – Room 401, Peoria, Illinois. At said Public Hearing, all interested persons were given an opportunity to be heard on the question of the designation of the Business Development District, the approval of the BDD Plan, the imposition of a Business Development District Tax and the issuance of obligations by the City to provide for the payment of eligible business district project costs; and

WHEREAS, the BDD Plan sets forth the factors constituting the need for the redevelopment of blighted areas within the proposed BDD Area and the City Council has reviewed comments concerning such needs presented at the Public Hearing and has reviewed other studies and is generally informed of the conditions in the proposed Area; and

WHEREAS, the City Council has reviewed the conditions pertaining to lack of private investment within the proposed Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would be substantially benefitted by the proposed public and private redevelopment project improvements; and

WHEREAS, the City Council finds that the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed or redeveloped without the adoption of the BDD Plan; and

WHEREAS, the City Council has further determined that the implementation of the Redevelopment Plan will help to: further reduce unemployment by increasing employment opportunities in the local commercial and light industrial sectors; increase retail business activity; improve public infrastructure; revitalize and repurpose underutilized buildings; increase the overall value, public safety and quality of life of the community for its residents; address blighting conditions that impede the provision of housing accommodations; and by completing the Redevelopment Projects, enhance the tax base of the taxing districts that extend into the Area; and

WHEREAS, the City Council has reviewed the proposed BDD Plan, Land Use and Zoning Map, Comprehensive Plan and Subdivision Ordinances for the development of the municipality as a whole to determine whether the proposed BDD Plan conforms to the Ordinances of the municipality; and

WHEREAS, upon adoption of the BDD Plan, Projects and Area, the City Council shall impose a retailers' occupation tax and a service occupation tax in the Business Development District for the planning, execution, and implementation of the BDD Plan and to pay for business district project costs as set forth in the BDD Plan; and

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA, PEORIA COUNTY, ILLINOIS, THAT:

1. The Mayor and City Council of the City of Peoria, Illinois hereby make the following findings:
 - a. The Area described in ***Exhibit A*** (Boundary Description) and ***Exhibit B*** (Boundary Map) attached hereto and made a part hereof is designated as the **"Peoria - Keller Station Business Development District."**
 - b. The Business District Area is contiguous and includes only parcels of real property that are directly and substantially benefitted by the Business District Plan as required by the Act.
 - c. There exist conditions set forth herein and in the Qualifying Factors described in the BDD Plan which cause the Area to qualify as a "Blighted Area", as defined by *Section 11-74.3-5* the Act, and such conditions are widely present throughout the Business District Area.

- d. The proposed BDD Area 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 or redeveloped without the adoption of the BDD Plan.
 - e. The BDD Plan conforms to the Land Use and Zoning Map, Comprehensive Plan and Subdivision Ordinances for the development of the municipality as-a-whole.
2. The Business District shall be completed upon payment of all business district project costs and retirement of all obligations paying or reimbursing business district project costs, but not later than 23 years after the date of adoption of this Ordinance.
3. Pursuant to the authority granted to the City under Section 11-74.3-3 (10) of the Act, a **Retailers' Occupation Tax** is hereby imposed upon:
- a. All persons engaged in the BDD in the business of selling tangible personal property, other than an item titled or registered with an agency of the government of the State of Illinois, at retail in the Business District, at a rate of **One Percent (1.0%)** of the gross receipts of the sales made in the course of such business.
 - b. This tax shall not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use.
 - c. The Business District Retailers' Occupation Tax imposed hereunder and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Illinois Department of Revenue in the same manner as all retailers' occupation taxes imposed in the City.
 - d. Persons subject to any tax imposed under *Subsection 11-74-74.3-6 (b)* of the Act may reimburse themselves for their seller's tax liability under this subsection by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect under the Use Tax Act, in accordance with such bracket schedules as the Illinois Department of Revenue may prescribe.
4. Pursuant to the authority granted to the City under Section 11-74.3-3 (10) of the Act, a **Service Occupation Tax** is hereby imposed upon:
- a. All persons engaged in the BDD in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the Business District, either in the form of tangible personal property or in the form

of real estate as an incident to a sale of service, at a rate of **One Percent (1.0%)** of the selling price of the tangible personal property so transferred within the Business District (the “Business District Service Occupation Tax”).

- b. This tax shall not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use.
 - c. The Business District Service Occupation Tax imposed hereunder and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Illinois Department of Revenue in the same manner as all service occupation taxes imposed in the City.
 - d. Persons subject to any tax imposed under the authority granted in *Subsection 11-74-74.3-6 (c)* of the Act may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Illinois Department of Revenue may prescribe.
5. All revenues received by the City from the Business District Retailers' Occupation Tax and Business District Service Occupation imposed hereunder shall be deposited into a special fund of the City designated as the ***“Peoria - Keller Station Business Development District Tax Allocation Fund (a/k/a, the Keller Station BDD Fund).”*** Any revenues in the Business District Tax Allocation Fund will be used for paying or reimbursing business district project costs and obligations incurred in the payment of those costs, with a portion of such revenues being dedicated to capital expenditures or public infrastructure costs as determined by the City Council.
 6. A certified copy of this Ordinance, together with a description of the boundaries of the Business Development District, shall be filed with the Illinois Department Revenue on or before the 1st day of April, 2022 in accordance with *Section 11-74.3-6* of the Act and the BDD tax shall commence on July 1, 2022.
 7. The Peoria - Keller Station Business Development District Tax Allocation Fund shall be dissolved no later than 270 days following payment to the municipality of the last distribution of taxes as provided in *Section 11-74.3-5* of the Act.
 8. The estimated date for retirement of obligations, if any, incurred to finance the BDD Redevelopment Projects costs shall be no later than twenty (20) years from the effective date of the Ordinance related to such obligations, or the end of the District, whichever occurs first.


9. The Peoria Business Development District Redevelopment Plan is hereby adopted and approved. A copy of the BDD Plan is attached hereto as *Exhibit C* and made a part of this Ordinance.
10. Upon approval of this Ordinance and pursuant to *Section 11-74.3-2(f)*, the Peoria BDD Plan, the boundaries of the BDD Area, and the taxes herein imposed may be amended or altered.
 - a. Changes which: (i) alter the exterior boundaries of the business district, (ii) substantially affect the general land uses described in the business district plan, (iii) substantially change the nature of any business district project, (iv) change the description of any developer, user, or tenant of any property to be located or improved within the proposed business district, (v) increase the total estimated business district project costs set out in the business district plan by more than Five Percent (5.0%) after adjustment for inflation from the date the BDD Plan was approved, (vi) add additional business district costs to the itemized list of estimated business district costs as approved in the BDD Plan, or (vii) impose or change the rate of any tax to be imposed pursuant to subsection (10) or (11) of Section 11-74.3-3 may be made by the City only after the City by ordinance fixes a time and place for, gives notice by publication of, and conducts a public hearing pursuant to the procedures set forth in *Section 11-74.3-2* of the Act.
11. All ordinances and parts of ordinances in conflict herewith are hereby repealed.
12. This Ordinance shall be in full force and effect from and after its passage and approval as provided by law; provided, however that the taxes imposed under *Sections 3 and 4* shall take effect on July 1, 2022.

(The remainder of this page is intentionally left blank.)

PASSED, APPROVED AND ADOPTED by the Corporate Authorities of the City of Peoria, Peoria County, Illinois, a home-rule municipality, on the 8th day of March, A.D., 2022, and deposited and filed in the Office of the City Clerk of said City on that date.

CORPORATE AUTHORITIES	AYES	NAYS	ABSTAIN	ABSENT
Denise Jackson	x			
Chuck Grayeb	x			
Tim Riggenbach	x			
Andre W. Allen	x			
Denis Cyr	x			
Dr. Kiran Velpula	x			
Elizabeth Jensen				x
John L. Kelly	x			
Zachary Oyler	x			
Sid P. Ruckriegel	x			
Rita Ali, Mayor	x			
TOTALS:	10	0	0	1

APPROVED:


 Rita Ali, Mayor, City of Peoria

3/8/22
 Date

EXAMINED AND APPROVED
 Legal Department

By 

ATTEST:


 Stefanie Farr, City Clerk, City of Peoria

3/9/22
 Date

EXHIBITS:

- Exhibit (A) Peoria - Keller Station Business Development District Boundary Description
- Exhibit (B) Peoria - Keller Station Business Development District Boundary Map
- Exhibit (C) Peoria - Keller Station Business Development District Redevelopment Plan

EXHIBIT A

**PEORIA - KELLER STATION
BUSINESS DEVELOPMENT DISTRICT BOUNDARY DESCRIPTION**

BEGINNING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF N OAK POINT CT AND THE EAST RIGHT-OF-WAY LINE OF N KNOXVILLE AVE; THENCE SOUTHEASTERLY ALONG EAST RIGHT-OF-WAY LINE OF N KNOXVILLE AVE TO THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF N PROSPECT RD AND THE EAST RIGHT-OF-WAY LINE OF N KNOXVILLE AVE; THENCE SOUTH ALONG THE EAST RIGHT-OF-WAY-LINE OF N KNOXVILLE AVE EXTENDED TO A POINT INTERSECTING WITH THE WEST RIGHT-OF-WAY LINE OF THE PEORIA PARK DISTRICT ROCK ISLAND GREENWAY TRAIL; THENCE NORTHWESTERLY ALONG THE WEST RIGHT RIGHT-OF-WAY LINE OF THE PEORIA PARK DISTRICT ROCK ISLAND GREENWAY TRAIL TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF W NORTHMORE RD; THENCE NORTHEASTERLY ON A LINE EXTENDED FROM SAID POINT ON THE NORTH RIGHT-OF-WAY LINE OF W NORTHMORE RD TO THE POINT OF BEGINNING, ALL SITUATED IN THE CITY OF PEORIA, COUNTY OF PEORIA, AND STATE OF ILLINOIS.

EXHIBIT B

**PEORIA - KELLER STATION
BUSINESS DEVELOPMENT DISTRICT BOUNDARY MAP**

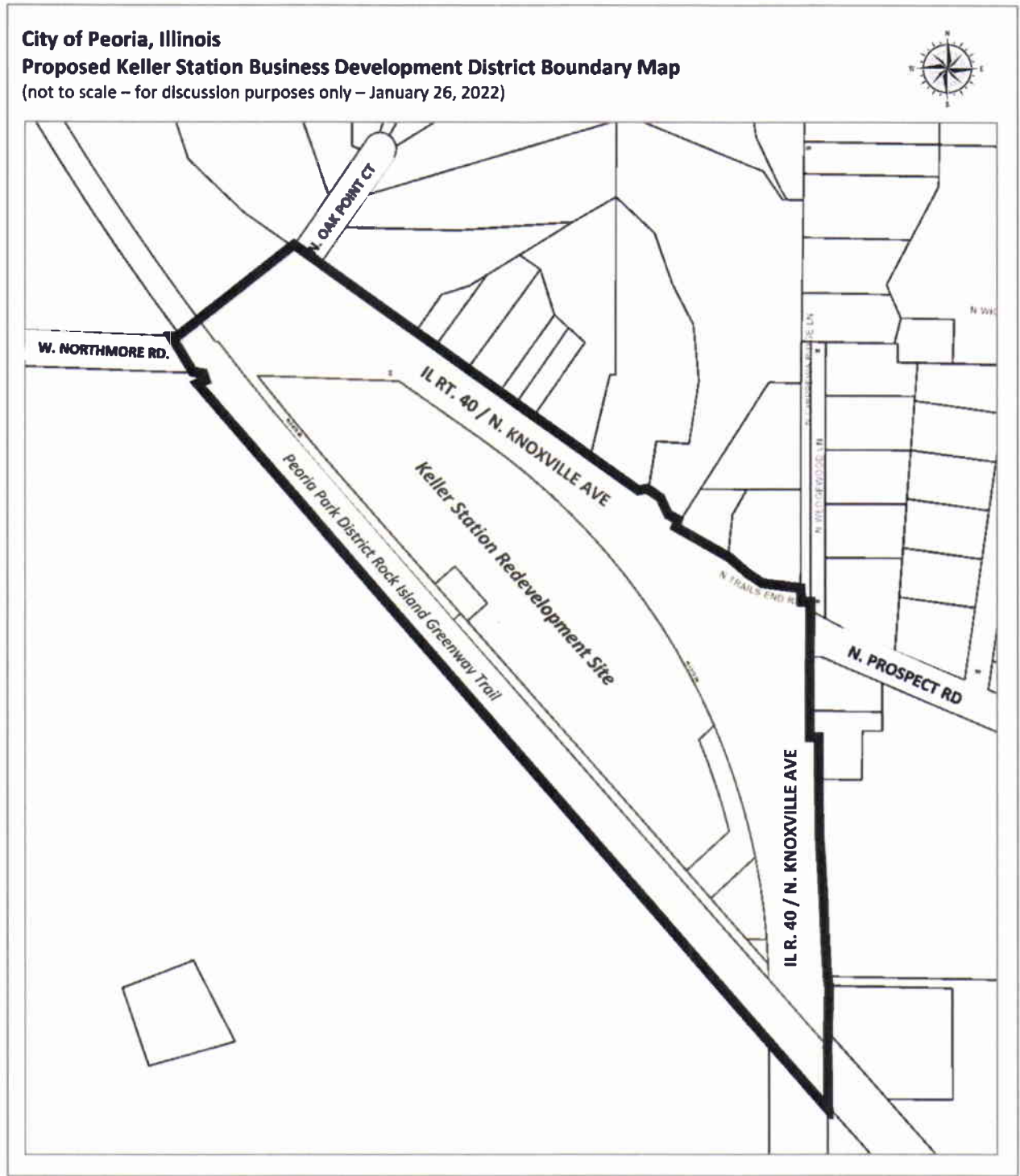
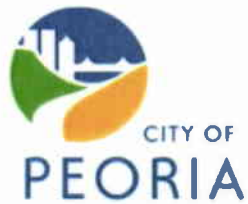


EXHIBIT C

**PEORIA - KELLER STATION
BUSINESS DEVELOPMENT DISTRICT REDEVELOPMENT PLAN**

(See copy of Redevelopment Plan as attached hereto.)



**City of Peoria-Keller Station
Business Development District
Redevelopment Plan, Projects, and Area**



Prepared for
City of Peoria
% Legal Department
419 Fulton Street, Rm: 200
Peoria, Illinois 61602

Prepared by
Jacob & Klein, Ltd. and
The Economic Development Group, Ltd.
1701 Clearwater Avenue
Bloomington, Illinois 61704
www.tifillinois.com

February 11, 2022



City of Peoria-Keller Station Business Development District Redevelopment Plan, Projects, and Area.
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Jacob & Klein, Ltd. and The Economic Development Group, Ltd., gratefully acknowledge assistance from the City of Peoria and Peoria County government officials, business leaders and residents who contributed their time toward the creation of this Peoria-Keller Station Business Development District Redevelopment Plan.

Additional, general information about Business Development Districts may be obtained by contacting Jacob & Klein, Ltd. and The Economic Development Group, Ltd., 1701 Clearwater Avenue, Bloomington, IL 61704 (Ph: 309/664-7777). Specific inquiries about the Peoria-Keller Station Business Development District Redevelopment Plan, Projects and Area should be directed to Mr. Kevin Evans, Senior Economic Engagement Specialist, City of Peoria, email: kevans@peoriagov.org.

**City of Peoria-Keller Station Business Development District
Redevelopment Plan, Projects, and Area**

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**CITY OF PEORIA, ILLINOIS
KELLER STATION BUSINESS DEVELOPMENT DISTRICT
REDEVELOPMENT PLAN, PROJECTS & AREA**

**SECTION I.
INTRODUCTION**

The City of Peoria, Illinois (pop. 113,150, and hereinafter referred to as the “City”) is an Illinois Home-Rule municipality and is the 3rd largest metropolitan area within the State of Illinois.

Major Employment Base

Peoria is host to Bradley University, the National Center for Agricultural Utilization Research, tertiary medical facilities serving central Illinois, and the U.S. headquarters for numerous large firms such as Caterpillar (the world’s leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives), OSF Ministry (an integrated health system owned and operated by The Sisters of the Third Order of St. Francis), Maui Jim (a premiere manufacturer of premium, polarized sunglasses and related products), RLI (a specialty property and casualty insurance and surety bond company), and others.¹

Transportation Hub

Situated along the banks of the Illinois River, Peoria has a long history of being a major transportation hub that is essential to the Central Illinois economy. Extending approximately 273 miles, the Illinois River is a principal tributary of the Mississippi River along which local locks annually accommodate more than 3 million tons of bulk barge-cargo passing through between the Great Lakes and the Gulf of Mexico.

The Peoria area is served by three Interstate highways: I-74, which runs through the downtown area to the northwest and connecting to I-80; I-474, a southern bypass of I-74 around the Peoria metro area; and I-155, which extends south from I-74 at Morton to I-55 at Lincoln, IL (see *Figure 1*).

The 3,500-acre Peoria International Airport hosts the longest runway and a 24-hour FAA control tower in Illinois outside



Figure 1. The Central Illinois City of Peoria has a population of 113,150 and is located along the banks of the Illinois River.

¹ For more information online, visit <http://growpeoria.com/about-peoria/>.

of Chicago and offers a dozen non-stop destinations on three airlines. In 2019, Peoria International Airport set an all-time record high passenger count of 689,416 individuals who boards or exited an aircraft in Peoria.

Peoria’s public transportation provider, Greater Peoria Mass Transit District/CityLink, celebrated its 50th Anniversary in 2020. CityLink currently operates more than 20 bus routes and over 1,000 bus stops throughout portions of Peoria County and Tazewell County, Illinois, including one "intercity" route between the main network and the nearby Pekin, Illinois network.

The Toledo, Peoria & Western Railway offers heavy industrial freight rail service to the Peoria area and is located within 11 miles of I-74 at Mapleton, IL. The greater Peoria area is an important interchange point for coal trains and has developed into a major rail-to-barge and barge-to-rail transfer point for bulk commodities. Peoria is however the largest metropolitan area in the state that currently does not have passenger rail access. The last time passenger trains ran through Peoria was an experimental Amtrak route in 1981. Amtrak passenger service is available in nearby Illinois communities of Normal, Galesburg, Princeton, and Lincoln. As of late 2021, a multimillion-dollar "pre-feasibility study" was included in the state's capital construction bill to further study potential solutions for re-establishing passenger rail service in Peoria.

Major Commercial-Retail Trade Center

Commercial growth and retail trade is among Peoria’s many significant contributions to the Central Illinois economy and retail sales tax is a vital source of revenue for the City of Peoria that help provide high quality public services to residents of the area. Total retail sales generated in the City of Peoria during calendar year 2020 amounted to **\$2.079 billion** as reported by the Illinois Department of Revenue. Total retail sales expressed in nominal dollars between 2005 and 2020 increased by just 1.5%, or \$31,114,758 (see *Figure 2*). However, in terms of real, inflation-adjusted dollars, the City’s total retail sales declined during that same period by **-\$391,542,718**, thereby posting a loss in total sales of **-19.1%** over the same fifteen (15) year period.



Figure 2. Source: Illinois Department of Revenue, Standard Industrial Classification (SIC) Code Reporting, 2005-2020.

As illustrated below (*Figure 3*), the number of Peoria retailers have also significantly declined. The total number of retail taxpayers collecting the various taxes connected to the retailing of tangible personal property in Peoria was 4,621 during calendar year 1995. By 2020, the number of retailers as declined to 2,069. Coupled with declining retail sales, this significant loss of retail businesses operating within Peoria presents challenges for the City to continue providing quality public services.

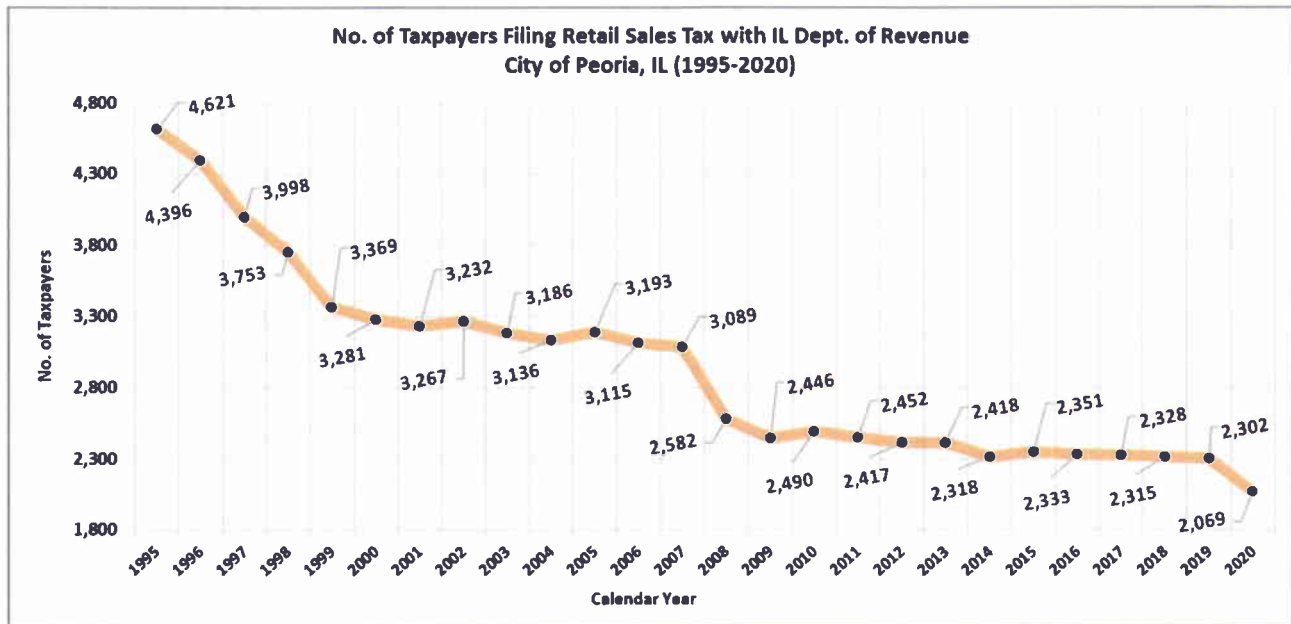


Figure 3. Source: Illinois Department of Revenue, Standard Industrial Classification (SIC) Code Reporting, 1995-2020.

Peoria’s capacity for generating retail sales tax revenues has suffered in recent years due to many of the same economic trends and conditions affecting much of the State of Illinois and the Midwest region. Even the construction of new or expanded (physical) retail space that has occurred in Peoria over the last 10 years is being challenged by dramatic shifts in consumer behavior. This has been especially true during times of restricted access, because of public health concerns due to the COVID-19 Pandemic.

Contemporary shoppers are increasingly expecting more from retailers in terms of both online and physical, in-store conveniences and experiences. The Internet, home shopping and related new technologies are causing changes to occur in how people acquire their everyday goods and services. The growing popularity of online retail shopping is causing retailers to redesign store formats and payment methods, as well as adjust to how technology-driven shopping preferences are affecting the inherent value of physical locations in populated areas, or along busy transportation corridors.

Population Trends

In December of 2021, the U.S. Census Bureau reported that the population of the United States grew in the past year by 392,665, or just 0.1%. That was the first time since 1937 that the U.S. population grew by fewer than one million people and was the lowest numeric growth since at least 1900, when the Census Bureau began tracking annual population estimates. This low rate of growth for the U.S. is largely attributed to decreased net international migration, decreased fertility, and increased mortality due in part to the COVID-19 pandemic. Census demographer Kristie Wilder said in a statement:

“Population growth has been slowing for years because of lower birth rates and decreasing net international migration, all while mortality rates are rising due to the aging of the nation’s population. Now, with the impact of the COVID-19 pandemic, this combination has resulted in a historically slow pace of growth.”²

According to the same U.S. Census report, the population of Illinois declined by about -113,776 in the year between July 2020 and July 2021; and Illinois was one of just 20 states, plus the District of Columbia, to lose residents by domestic migration. Domestic (or internal) migration is the movement of people within the United States. The largest net domestic migration gains in the U.S. during that same period were in Florida (+220,890), Texas (+170,307) and Arizona (+93,026). According to an annual survey conducted by United Van Lines, the most popular states where Illinois residents moved to in 2020 included Florida, Texas, California, Arizona, Washington, and North Carolina.³ The most common reasons the United Van Lines study cited for why people moved from Illinois in 2020 was to seek a new job, retire, and to be closer to family. The study indicated that most of the people moving out of Illinois were 55 years of age or older and had an annual income of \$100,000 or more. According to Michael A. Stoll, economist and professor in the Department of Public Policy at the University of California, Los Angeles, *“We’re seeing that the COVID-19 pandemic has without a doubt accelerated broader moving trends, including retirement driving top inbound regions as the Baby Boomer generation continues to reach that next phase of life.”*

Peoria is also experiencing its share of Illinois’ population loss. The U.S. Census Bureau reports the total population for Peoria County declined by -4,664 persons between 2010 and 2020 (*Figure 4*). Likewise, the City of Peoria also marked a loss of -1,957 in total population during the same period (*Figure 5*).

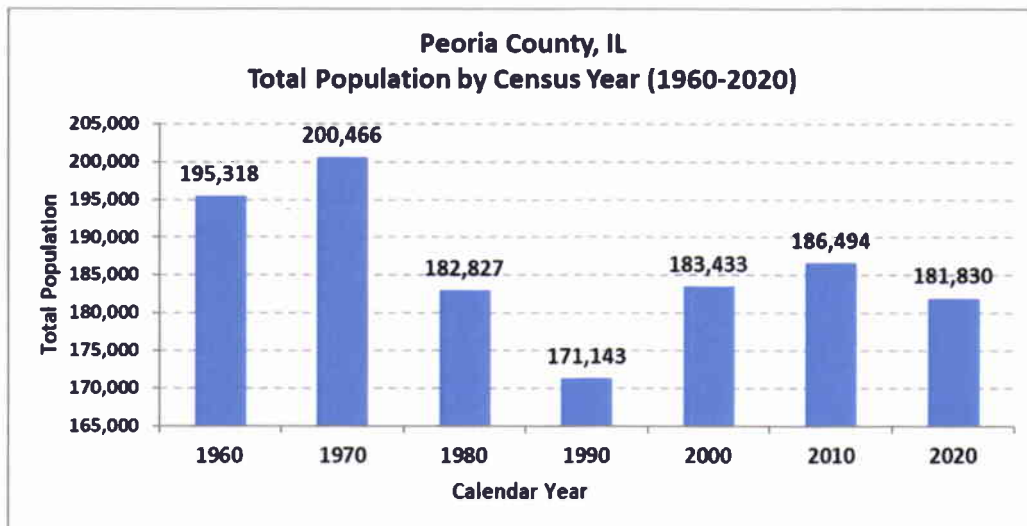


Figure 4. Total Population of Peoria County, Illinois (1960-2020). Source: U.S. Census Bureau.

² U.S. Census Bureau, Release No. CB21-208, “New Vintage 2021 Population Estimates Available for the Nation, States and Puerto Rico: Estimates Show Slowest Growth on Record for the Nation’s Population,” December 21, 2021 (<https://www.census.gov/newsroom/press-releases/2021/2021-population-estimates.html>).

³ WIFR Newsroom, “Illinois ranks third among ‘Most Moved Out States’ in 2020, study says,” January 7, 2021 (<https://www.wifr.com/2021/01/08/illinois-ranks-third-among-most-moved-out-states-in-2020-study-says/>).

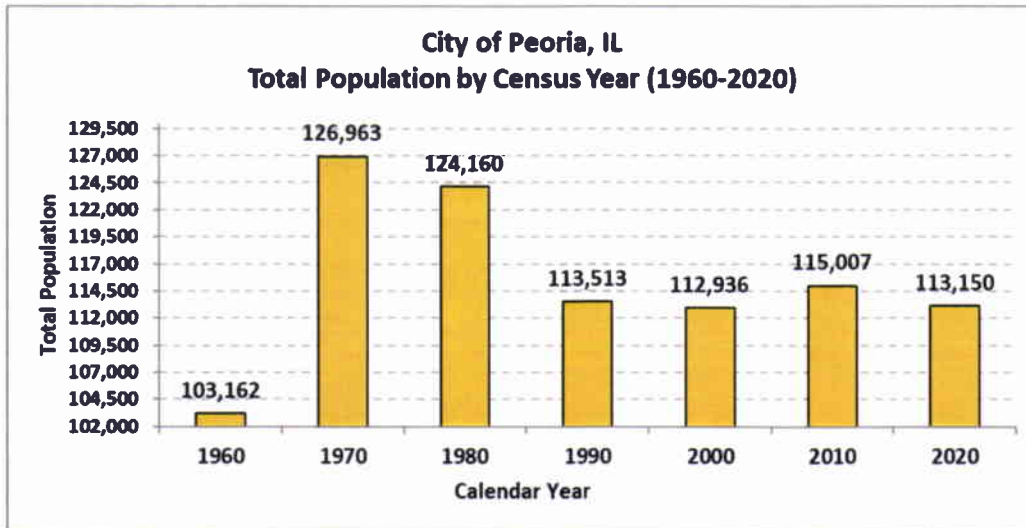


Figure 5. Total Population of City of Peoria, Illinois (1960-2020). Source: U.S. Census Bureau.

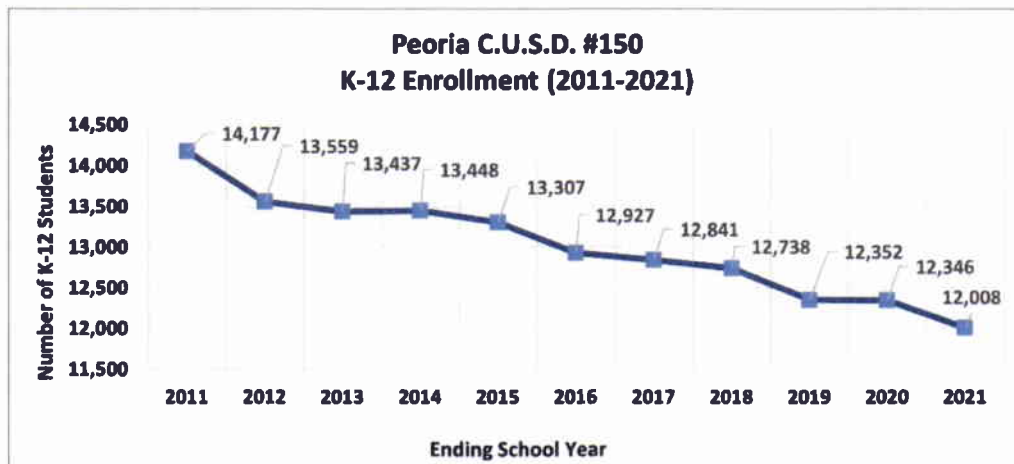


Figure 6. Peoria C.U.S.D. #150 K-12 Enrollment (2011-2021). Source: Illinois State Board of Education.

Over the past 10 years, the total number of K-12 students enrolled in Peoria School District #150 declined by more than -15% (Figure 6). The school district enrolled 2,169 fewer K-12 students during the 2020-2021 school year than were enrolled during the 2010-2011 school year. Although many factors can be attributed to fluctuations in a school district’s annual enrollment, this trend further contributes to the general pattern of conditions that appear to be unfolding for the Peoria community.

Absent new private investment and innovative approaches for sustaining local populations, current trends may cumulatively result in a cascade of negative effects on Peoria, thereby making it more challenging to attract business development, create jobs, sustain population, and provide high-quality public services for its residents. This **Keller Station Business Development District (“Keller Station BDD”) Redevelopment Plan** contributes to the City of Peoria’s overall strategic agenda for economic development. By incentivizing the redevelopment of underutilized commercial space and encouraging new private investment for new small business activity, the City is making a concerted effort to re-establish a long-term pattern of positive growth and economic vitality throughout the community.

Therefore, as part of its ongoing effort to arrest negative trends, expand retail trade and encourage new economic vitality throughout the community, the City of Peoria herein proposes the Keller Station Redevelopment BDD Plan to further strengthen the City as a retail center by stimulating more commercial/retail development within the proposed BDD Area. By attracting such new private investment and improving public infrastructure, the City intends to:

- reduce the number of underutilized properties, expand the real estate tax base, and further stimulate the Peoria economy within the Redevelopment Project Area;
- expand and update public infrastructure and related services;
- generate new sales tax revenues for the City, other taxing districts and the State of Illinois;
- create new employment opportunities;
- increase the availability of commercial goods and services to help make Peoria more attractive for developing new housing accommodations, increase population and stabilize local school enrollments;
- preserve historically significant structures and promote tourism;
- improve pedestrian access between residential, recreational, and commercial areas; and
- improve the overall aesthetic value of the Peoria community and continue to elevate the quality of life for its residents.

Powers Granted to the City within a Business Development District

With the creation of a Business Development District, Section 11-74.3-3 of the Act specifically provides the City with the following powers in addition to the powers the City may already have:

1. **Execute Contracts.** To make and enter into all contracts necessary or incidental to the implementation and furtherance of a business district plan. A contract by and between the municipality and any developer or other nongovernmental person to pay or reimburse said developer or other nongovernmental person for business district project costs incurred or to be incurred by said developer or other nongovernmental person shall not be deemed an economic incentive agreement under Section 8-11-20, notwithstanding the fact that such contract provides for the sharing, rebate, or payment of retailers' occupation taxes or service occupation taxes (including, without limitation, taxes imposed pursuant to subsection (10)) the municipality receives from the development or redevelopment of properties in the business district. Contracts entered into pursuant to this subsection shall be binding upon successor corporate authorities of the municipality and any party to such contract may seek to enforce and compel performance of the contract by civil action, mandamus, injunction, or other proceeding.

2. **Acquire & Dispose of Real Estate.** Within a business district, to acquire by purchase, donation, or lease, and to own, convey, lease, mortgage, or dispose of land and other real or personal property or rights or interests therein; and to grant or acquire licenses, easements, and options with respect thereto, all in the manner and at such price authorized by law. No conveyance, lease, mortgage, disposition of land or other property acquired by the municipality, or agreement relating to the development of property, shall be made or executed except pursuant to prior official action of the municipality. No conveyance, lease, mortgage, or other disposition of land owned by the municipality, and no agreement relating to the development of property, within a business district shall be made without making public disclosure of the terms and disposition of all bids and proposals submitted to the municipality in connection therewith.
3. **Eminent Domain.** To acquire property by eminent domain in accordance with the Eminent Domain Act.
4. **Demolition.** To clear any area within a business district by demolition or removal of any existing buildings, structures, fixtures, utilities, or improvements, and to clear and grade land.
5. **Public Works.** To install, repair, construct, reconstruct, or relocate public streets, public utilities, and other public site improvements within or without a business district which are essential to the preparation of a business district for use in accordance with a business district plan.
6. **Repair Existing Buildings.** To renovate, rehabilitate, reconstruct, relocate, repair, or remodel any existing buildings, structures, works, utilities, or fixtures within any business district.
7. **Construct New Buildings.** To construct public improvements, including but not limited to buildings, structures, works, utilities, or fixtures within any business district.
8. **Lease Property.** To fix, charge, and collect fees, rents, and charges for the use of any building, facility, or property or any portion thereof owned or leased by the municipality within a business district.
9. **Pay or Reimburse BDD Costs.** To pay or cause to be paid business district project costs. Any payments to be made by the municipality to developers or other nongovernmental persons for business district project costs incurred by such developer or other nongovernmental person shall be made only pursuant to the prior official action of the municipality evidencing an intent to pay or cause to be paid such business district project costs. A municipality is not required to obtain any right, title, or interest in any real or personal property in order to pay business district project costs associated with such property. The municipality shall adopt such accounting procedures as shall be necessary to determine that such business district project costs are properly paid.
10. **Apply for Grants.** To apply for and accept grants, guarantees, donations of property or labor or any other thing of value for use in connection with a business district project.

11. **Impose BDD Sales Taxes.** If the municipality has by ordinance found and determined that the business district is a blighted area under this Law, to impose a retailers' occupation tax and a service occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for business district project costs as set forth in the business district plan approved by the municipality.
12. **Impose BDD Hotel Tax.** If the municipality has by ordinance found and determined that the business district is a blighted area under this Law, to impose a hotel operators' occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for the business district project costs as set forth in the business district plan approved by the municipality.
13. **Issue Bonds or Other Obligations.** Obligations secured by the Business District Tax Allocation Fund may be issued to provide for the payment or reimbursement of business district project costs. No obligations issued pursuant to this Law shall be regarded as indebtedness of the municipality issuing those obligations or any other taxing district for the purpose of any limitation imposed by law. Obligations issued pursuant to this Law shall not be subject to the provisions of the Bond Authorization Act.

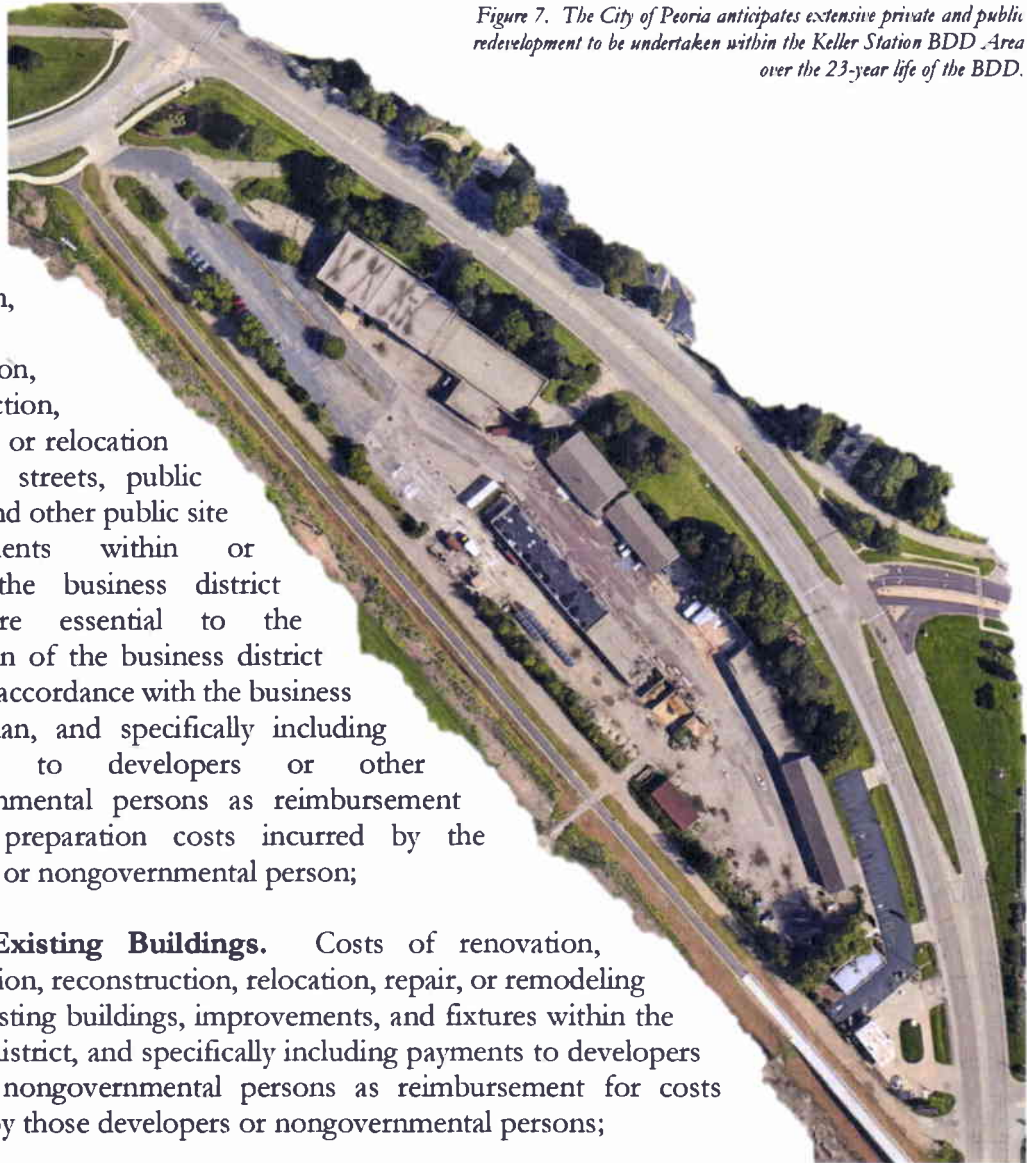
Types of BDD-Eligible Project Costs

Pursuant to the Act, the City intends to address the conditions which qualify a BDD Redevelopment Project Area as a blighted area. The BDD Area has infrastructure inadequacies and will require improvements throughout the life of the business district as described in this BDD Plan. The City expects that the implementation of the public projects provided herein will help address current needs and attract new private investment within the BDD Area (see *Figure 7*).

Pursuant to Section 5/11-74.3-5 of the Act, "**Business district project costs**" shall mean and include the sum, total of all costs incurred by the City, other governmental entity, or nongovernmental person(s) that are in connection with a business district and in the furtherance of a business district plan, including, without limitation, the following:

1. **Studies & Plans.** Costs of studies, surveys, development of plans and specifications, implementation and administration of a business district plan, and personnel and professional service costs including architectural, engineering, legal, marketing, financial, planning, or other professional services, provided that no charges for professional services may be based on a percentage of tax revenues received by the municipality;
2. **Site Assembly.** Property assembly costs, including but not limited to, acquisition of land and other real or personal property or rights or interests therein, and specifically including payments to developers or other nongovernmental persons as reimbursement for property assembly costs incurred by that developer or other nongovernmental person;
3. **Site Preparation.** Costs relating to site preparation, including but not limited to clearance, demolition or removal of any existing buildings, structures, fixtures, utilities, and improvements and clearing and grading of land;

Figure 7. The City of Peoria anticipates extensive private and public redevelopment to be undertaken within the Keller Station BDD Area over the 23-year life of the BDD.



4. **Public Works.** Costs of installation, repair, construction, reconstruction, extension, or relocation of public streets, public utilities, and other public site improvements within or without the business district which are essential to the preparation of the business district for use in accordance with the business district plan, and specifically including payments to developers or other nongovernmental persons as reimbursement for site preparation costs incurred by the developer or nongovernmental person;
5. **Repair Existing Buildings.** Costs of renovation, rehabilitation, reconstruction, relocation, repair, or remodeling of any existing buildings, improvements, and fixtures within the business district, and specifically including payments to developers or other nongovernmental persons as reimbursement for costs incurred by those developers or nongovernmental persons;
6. **New Construction.** Costs of installation or construction within the business district of buildings, structures, works, streets, improvements, equipment, utilities, or fixtures, and specifically including payments to developers or other nongovernmental persons as reimbursements for such costs incurred by such developer or nongovernmental person;
7. **Financing Costs.** Such costs include, but are not limited to all necessary and incidental expenses related to the issuance of obligations, payment of any interest on any obligations issued under this Law that accrues during the estimated period of construction of any development or redevelopment project for which those obligations are issued and for not exceeding 36 months thereafter, and any reasonable reserves related to the issuance of those obligations; and
8. **Relocation Costs.** To the extent that a municipality determines necessary, the City may use BDD Funds to reimburse relocation costs or shall use such funds to comply with federal and state law to pay relocation costs as required.

**SECTION II.
KELLER STATION BUSINESS DEVELOPMENT DISTRICT (“BDD”)
BACKGROUND, PROPOSED REDEVELOPMENT AND STUDY AREA**

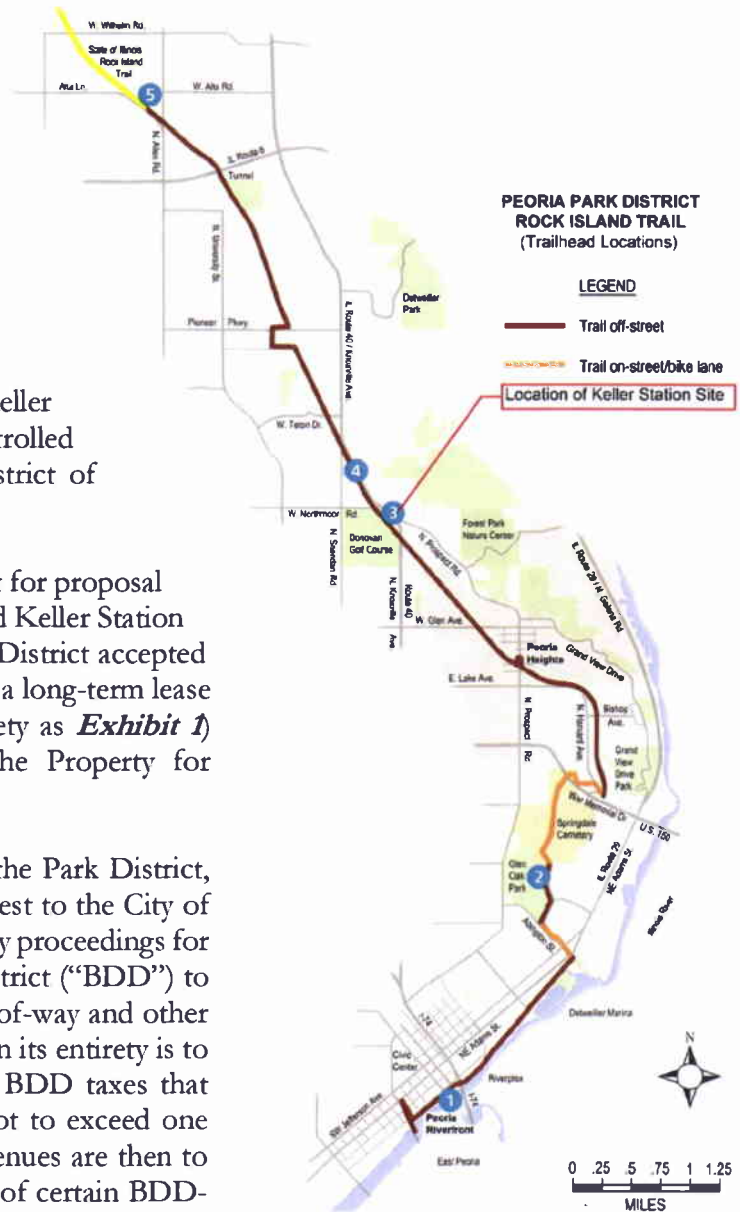
The Peoria and Rock Island Railroad between Rock Island, Illinois, and Peoria, was constructed during the late post-American Civil War 1860s and eventually became the Rock Island and Peoria Railway in 1877. This 91-mile railroad originally included the **Keller Station** stop on the "Peoria Route," which was located adjacent to Mt. Hawley Road (now known as Knoxville Avenue), ceased operating in the late 1950s. A 13-mile portion of the old Peoria Route, which is now the Rock Island Greenway⁴ extending from Dunlap, IL to the Peoria Riverfront, lies adjacent to where Keller Station once stood.

The original site of the Keller Station is also the site of the former Illinois Department of Transportation (IDOT) campus. The antiquated (circa 1937) IDOT facilities include multiple structures situated on 7 acres that are contiguous to the Rock Island Trail and immediately west of the Knoxville Avenue and Prospect Road intersection.

The former IDOT buildings and Keller Station Site are currently owned and controlled by the Pleasure Driveway and Park District of Peoria (the “Park District”).

In 2018, the Park District issued a request for proposal (RFP) for the former IDOT buildings and Keller Station Site (the “Property”). In 2019, the Park District accepted a proposal and subsequently entered into a long-term lease (the “Lease” attached hereto in its entirety as *Exhibit 1*) with The Kim Group to redevelop the Property for commercial-retail purposes.

Pursuant to the terms of the lease with the Park District, The Kim Group has made a formal request to the City of Peoria to undertake the necessary statutory proceedings for establishing a Business Development District (“BDD”) to include the Property and adjacent rights-of-way and other areas (the “BDD Study Area”), which is in its entirety is to become subject to applicable additional BDD taxes that may be imposed by the City at a rate not to exceed one percent (1.0%). Such new BDD tax revenues are then to become available for the reimbursement of certain BDD-eligible redevelopment costs incurred by The Kim Group or others for the redevelopment of the BDD Redevelopment Project Area.



⁴ Source: <http://www.peoriaparks-planning.org/maps/PPDRockIslandGreenway2014.pdf>.

The Keller Station BDD Study Area

The Keller Station BDD Study Area (the “Study Area”) consists of seven (7) individually identified and contiguous parcels of land, including adjacent public rights-of-way and six (6) principal site addresses (see **Figure 8**). The Study Area in its entirety is located along Illinois Rt. 40 (Knoxville Rd.) as illustrated below (**Figure 9**) and further described in **Exhibit 2** attached hereto. A list of current mailing addresses within the BDD Area as required by the Illinois Department of Revenue is provided in **Exhibit 3**.

No.	Peoria County PIN	Current Site Addresses	Description	Current Owner of Record
1	14-16-327-008	6035 N KNOXVILLE AVE 6015 N KNOXVILLE AVE 6009 N KNOXVILLE AVE 6001 N KNOXVILLE AVE	Public land - owned by Pleasure Driveway & Park District of Peoria and leased to The Kim Group as commercial redevelopment property known as the Keller Station Site.	PLEASURE DRIVEWAY & PARK DISTRICT OF PEORIA 6035 KNOXVILLE LLC (leasehold interest in 6035 Knoxville Ave.)
2	14-16-327-009	n.a.	Public land - small parcel controlled by IDOT and used for communications tower.	STATE OF ILLINOIS DEPT OF TRANSPORTATION
3	14-16-327-007	n.a.	Privately owned, narrow strip of land and former railroad right-of-way located between Keller Station Site and Rock Island Greenway Trail.	MCQUELLON, ROBERT W
4	14-16-327-006	5901 N KNOXVILLE AVE	Privately owned, multi-story office building for McQuellon Consulting Inc.	BOB & ED LAND TRUST #1
5	14-16-327-004	5831 N KNOXVILLE AVE	Privately owned, CEFCU ATM Site + Kinetico (water services) building.	WARFIELD, STEVEN L
6	14-16-376-001	n.a.	Privately owned, small irregular-shaped site with commercial Billboard	ADAMS OUTDOOR ADVERTISING LIMITED PARTNERSHIP
7	14-16-101-033	n.a.	Public land - portion of Rock Island Greenway right-of-way controlled by the City of Peoria	CITY OF PEORIA
8	n.a.	n.a.	Other public lands of the City of Peoria or the State of Illinois consisting of streets, intersections, traffic signals, sidewalks, and other designated public rights-of-way adjacent to Keller Station Site and other private lands within the study area	CITY OF PEORIA OR ILLINOIS DEPARTMENT OF TRANSPORTATION

Figure 8. Property list of lands and current mailing addresses within the Keller Station BDD Study Area.

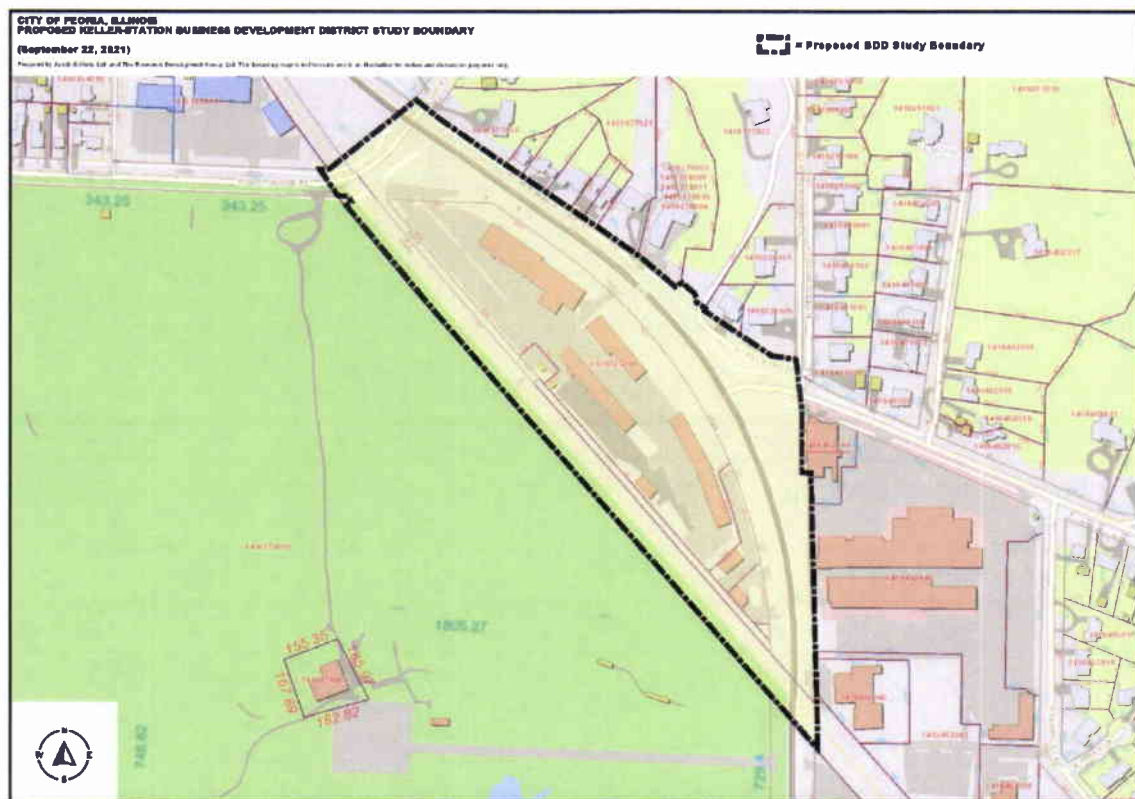


Figure 9. Illustrated boundary for Keller Station BDD Study Area. See Exhibit 2 for precise boundary map and legal description.

Private Redevelopment Project within Keller Station BDD

The anchor (private) redevelopment project within the Keller Station BDD Study Area is known as **KELLER STATION** and the site is comprised of four (4) principal structures as illustrated at right in **Figure 10**.

In addition to other site improvements, the Keller Station Redevelopment Project (the "Project") is intended to restore, renovate, rehabilitate and re-purpose the four (4) former structures constructed in 1937 (which are further divided into nine (9) buildings) and formerly known as the home of the Peoria District of the Illinois Division of Highways. Upon establishment of the Keller Station BDD, the City of Peoria and The Kim Group intend to negotiate and enter into a redevelopment agreement to assist with the five (5) phases of restoration and re-purposing of the **Keller Station Site** (the "site") for commercial use as illustrated in **Figure 11** below and described as follows:



Figure 10. Location of Keller Station Site within the Keller Station BDD Study Area.

- **PHASE 1:** The area designated as Phase 1 includes the northernmost portion of the site nearest to Northmoor Rd. and southward to include the currently dormant access point located off of Knoxville Ave. Phase 1 includes buildings 1 and 2 and parking areas west of buildings 1 and 2 (i.e., 6035 and 6015 N. Knoxville Ave.). Buildings 1 and 2 are to undergo major interior renovation for commercial office space and preserved pursuant to the historically significant architectural design and appointments. Exterior improvements require tuckpointing, window replacements, new exterior doors, elevator shaft and equipment rehab, and the removal of brush, vines, vegetative overgrowth, and other façade restoration.
- **PHASE 2:** The area designated as Phase 2 includes the easternmost portion of the site beginning along Knoxville Ave. at the south line of the currently dormant access off of Knoxville Ave., then south to a point along Knoxville Ave. that intersects at a point with a

line parallel to and 10 feet north of the north side of building 8; then westerly 10 feet set off from building 8 to the eastern line of Phase 3; then northerly along a line 30 feet east of and parallel to the eastern sides of buildings 5 and 6 to a point on a line generally extending between the middle of the IDOT communication tower property to the beginning point of Phase 2 – which contains buildings 3 and 4. Buildings 3 and 4 require major rehabilitation, including substantial demolition and reconstruction on the first level. Upper-level space may be converted to for mixed-use commercial and residential purposes. Phase 2 requires engineered traffic study(ies) to evaluate signalization requirements, as well as public (geometric) improvements of the N. Knoxville Ave. and Prospect Rd. intersection to improve traffic flow and safe pedestrian access to the Keller Station Site.

- **PHASE 3:** The area designated as Phase 3 includes the westernmost portion of the site south of Phase 1, west of Phase 2 and south to the end of the dormant outdoor cement block storage structure on the south side of building 6 and a pedestrian mall between buildings 3 and 4, as well as between buildings 5 and 6. The investment necessary to repair and renovate repairs necessary were deemed to be cost prohibitive for buildings 5 and 6, therefore the complete demolition, redevelopment and reconstruction of that portion of the site is to be undertaken.
- **PHASE 4:** The area designated as Phase 4 includes a portion of the site south of Phases 2 and 3 to the southernmost boundary of the site, including buildings 8 and 9 and the parking area west of buildings 8 and 9. Exterior improvements to include tuckpointing, window replacements, new overhead doors and other façade repairs. Interior improvements are anticipated to include total removal and rehab of interior space, new restroom facilities, and subdivided areas re-configured for multiple retail tenants.
- **PHASE 5:** The area designated as Phase 5 is currently an undesignated portion of the site upon which future new building(s) may be constructed. Such future building(s) may include a stand-alone restaurant or other retail outlet, perhaps within a multi-story commercial/residential mixed-use facility.

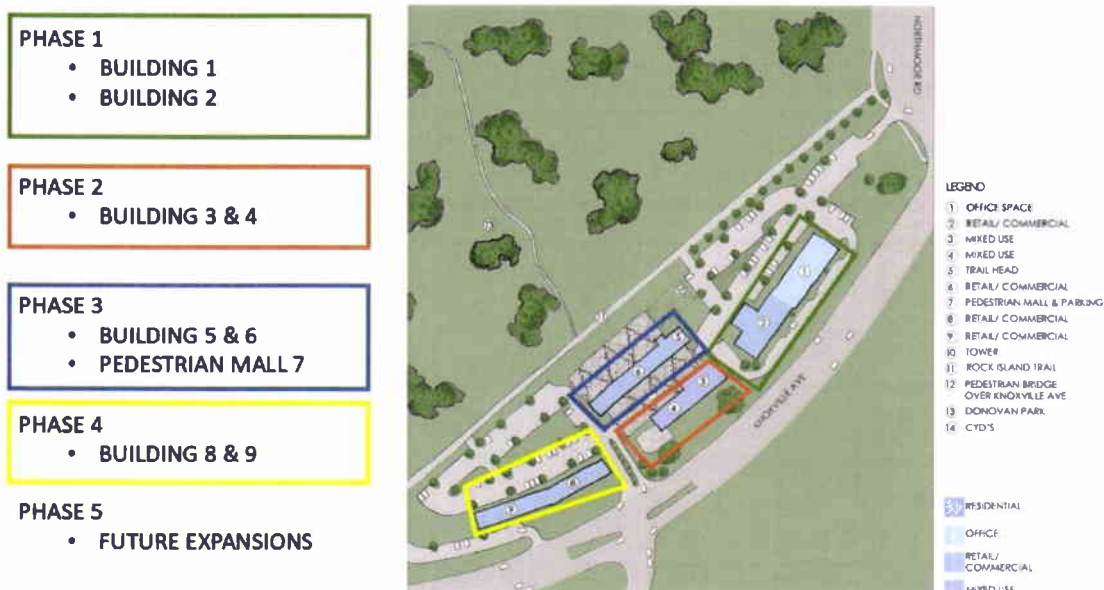


Figure 11. Proposed Redevelopment Phases for Keller Station Site (source: The Kim Group).

Anticipated Intersection Improvements at N. Knoxville Ave. and Prospect Rd.

To further accommodate vehicular traffic flow and improve safety for pedestrians who wish to access the Keller Station Site, substantial improvements to the N. Knoxville Ave. (IL 40) and Prospect Road Intersection are anticipated (*Figure 12*).

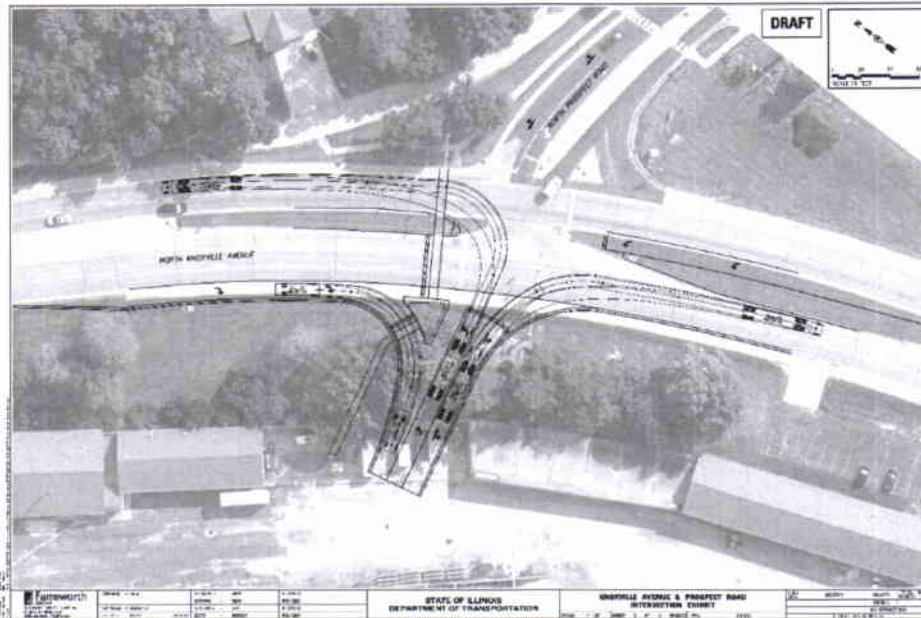


Figure 12. Substantial Improvements Planned for N. Knoxville Ave. and Prospect Rd. Intersection (source: The Kim Group).

Pending approval of final design requirements by the Illinois Department of Transportation, total cost estimates for the intersection improvements, including signalization and additional on-site demolition and street access into the Keller Station Site, are expected to be \$1.5-\$2.0 million to complete. Current engineered estimates for only the (public) intersection work is outlined below in *Figure 13*.

Knoxville Avenue (IL 40) and Prospect Road Intersection Improvements CONCEPT BUDGET ESTIMATES 1/27/2022		
	Option 1	Option 2
Traffic Impact Study and Initial Coordination	\$21,000	\$21,000
Intersection Design Study	\$25,000	\$25,000
Survey, Environmental, Design Engineering, IDOT Permit Application	\$145,000	\$109,000
Construction Costs	\$1,175,000	\$900,000
Utility Relocations and Construction Contingency	\$100,000	\$100,000
Bidding, Contracting, Shop Drawing Review	\$15,000	\$15,000
Construction Engineering, Material Testing, Documentation, Closeout	\$169,000	\$130,000
	<u>\$1,650,000</u>	<u>\$1,300,000</u>
Option 1	Assumes full access new west leg at intersection of Knoxville Ave. and Prospect Ave. Improvements would include signal modifications and would accommodate southbound-right, eastbound-left, -through, and -right, north-bound left, and west-bound through movements. Does not include dual southbound-left turn lanes. Preliminary analysis indicates challenges with this option meeting IDOT level of service criteria.	
Option 2	Assumes partial access west leg at intersection of Knoxville Ave. and Prospect Ave. Improvements would include traffic signal modifications and would accommodate southbound-right, eastbound-right, and westbound-through movements. Option subject to approval by IDOT.	
Assumes 2022 construction year. Concept budgets and assumptions are subject to change as design progresses		

Figure 13. Concept Budget Estimates for Proposed N. Knoxville Ave. (IL 40) and Prospect Road Intersection Improvements (source: The Kim Group).

SECTION III.
**ILLINOIS BUSINESS DISTRICT DEVELOPMENT AND REDEVELOPMENT ACT,
 ELIGIBILITY FACTORS, AND OTHER REQUIRED FINDINGS**

Pursuant to 65 ILCS 5/11-74.3-1 *et. seq.* of the Illinois Municipal Code (the “Business District Development and Redevelopment Act” or the “Act”), municipalities may exercise certain powers to enhance the local tax base and promote the development and redevelopment of business districts which are declared to be a public use and essential to the public interest. The City of Peoria intends to establish a Business Development District (herein referred to as the “Business Development District” or “BDD” or the “District”), which shall be formally known as the ***“Peoria-Keller Station Business Development District”***.

Therefore, this Business Development District Redevelopment Plan (the “BDD Plan”) sets forth the necessity for the ***Peoria-Keller Station Business Development District*** and finds herein that the proposed Business Development District on-the-whole has not been subject to growth and development through investment by private enterprises and would not reasonably be anticipated to be developed or redeveloped without the adoption of this Business District Redevelopment Plan.

Eligibility Factors

Municipalities proposing to establish a Business Development District and impose certain BDD taxes pursuant to the Act are required to document findings of eligibility for a “blighted area”. A proposed BDD study area is regarded as a blighted area by the existence of one or more of the following eligibility criteria:

1. defective, non-existent, or inadequate street layout;
2. unsanitary or unsafe conditions;
3. deterioration of site improvements;
4. improper subdivision or obsolete platting; or the
5. existence of conditions which endanger life or property by fire or other causes.

To further qualify an area as a BDD, the municipality must also provide evidence of one or more of the above factors exerting at least one of the following effects on the proposed BDD Area:

1. delays or hinders the provision of housing accommodations;
2. constitutes an economic or social liability;
3. constitutes an economic underutilization of the BDD Area; or
4. constitutes a menace to the public health, safety, morals, or welfare of the community.

Other Required Findings

Finally, in addition to defining a “blighted area” per the previously described criteria, the BDD Plan must satisfy four (4) additional, separate findings are required for establishing a qualified BDD:

1. Lack of growth and development through private investment;
2. Without the availability of the BDD, the BDD Area would not be redeveloped;
3. The boundaries of the BDD Area must be contiguous and include parcels that are directly and substantially benefited by the proposed BDD Plan; and
4. The BDD Plan must conform to the comprehensive plan of the city.

**SECTION IV.
PEORIA-KELLER STATION BDD ELIGIBILITY FINDINGS**

Consideration for the City’s establishment and implementation of the Peoria-Keller Station BDD began in 2018 by virtue of discussions The Kim Group (the “Developer” and “Tenant”) initiated with the City prior to the acceptance of its redevelopment proposal and subsequent lease of the Keller Station Site from the Pleasure Driveway and Park District of Peoria (the “Landlord”) on January 9, 2019. Pursuant to the terms of the lease (*Exhibit 1*), the Tenant and Landlord thereby committed to certain initial development conditions thereby making it incumbent upon them to justify and document through all appropriate and necessary proceedings sufficient written evidence satisfactory to the Act that a BDD be established and include the Keller Station Site.

Upon confirming adequate performance of the Tenant to initiate redevelopment of the Keller Station Site and incur substantial investment to commence Phases 1-3 of the Project, the City retained the services of Jacob & Klein, Ltd. and The Economic Development Group, Ltd. (collectively the “Consultant”) on September 14, 2021 to examine the Keller Station Site, as well as adjacent properties and public rights-of-way, to analyze and determine the extent to which the proposed BDD Area qualifies as a “blighted area” pursuant to the Act. Based on the Consultant’s examination of the proposed BDD Area, the City hereby finds the following eligibility and qualification factors are present to a sufficient extent to satisfy the requirements of the Act.

Eligibility Factors for Blighted Area

The City finds the Keller Station BDD Area qualifies as a “blighted area” due to the predominance of the following factors observed to be present and meaningfully distributed throughout the study area:

1. **Defective, non-existent, or inadequate street layout.** The previously described improvements to the N. Knoxville Ave. (IL 40) and Prospect Road Intersection are deemed to be essential to the successful completion of the redevelopment of the Keller Station Site. The future availability of certain BDD revenues generated by the Keller Station Redevelopment Project is among the several sources of funds for which the Tenant and Landlord reasonably anticipated would be necessary to finance the Project, including such public improvements within the BDD Area.

2. **Unsanitary or unsafe conditions.** The physical condition of existing structures and surface improvements are found to present unsafe conditions as evidenced throughout the BDD Area. The redevelopment of the Keller Station Site is requiring extensive reconstruction of sanitary sewer infrastructure, storm water facilities, and the removal and reconstruction of exterior and interior structural components of existing buildings; as well as mold abatement and the reconstruction of dilapidated surface improvements. The deteriorated condition, vacancy, and underutilized space found to have existed on the Keller Station Site present unsafe conditions, particularly for unauthorized individuals who may stray onto the site from the adjacent Rock Island Trail.

3. **Deterioration of site improvements.** Physical deterioration of existing structures and surface improvements were observed throughout the BDD Area as described in **Table 1**. Prior to commencement of the Keller Station Redevelopment Project, the Keller Station Site had remained vacant and deficient of new investment for 24 years. Conditions of all of the existing buildings located on the Keller Station Site had fallen into severe disrepair due to water damaged facades and interior surfaces. Evidence of mold and severely deteriorated building components are requiring extensive demolition and reconstruction. As of February-2021, buildings 1-4 on the Keller Station Site have undergone repairs and rehabilitation to ameliorate such deteriorated conditions and some of the commercial space has already been successfully sublet for new office and retail business operations; and pending the establishment of the Keller Station BDD, additional repairs and renovations will proceed on buildings 1-4 and redevelopment of buildings 5-9 is expected to begin. Other buildings and surface improvements including a portion of the Rock Island Trail that are located within the proposed BDD Area and adjacent to the Keller Station Site were observed to exhibit signs of aging exteriors and moderate deterioration of surface improvements.

TABLE 1. PEORIA-KELLER STATION BDD AREA DETERIORATION FACTORS

Total vacant and improved parcels	7
Total vacant parcels	3
Total vacant parcels with obsolete platting	2
Total vacant parcels with deteriorated structures on adjacent property	3
Total vacant parcels with unused railroad or railroad right-of-way	1
Total vacant parcels with stagnant or declining equalized assessed valuation	3
Total improved parcels	4
Total number of buildings on improved parcels	9
Total number of buildings that are 35 years of age or older	7
Total improved parcels exhibiting deterioration (<i>examples shown in Figures 14 & 15</i>)	3
Total improved parcels exhibiting dilapidation of existing structures	1
Total improved parcels with excessive vacancies	1

TABLE 1. PEORIA-KELLER STATION BDD AREA DETERIORATION FACTORS

Total improved parcels with obsolete structures	1
Total improved parcels with deteriorated or inadequate public infrastructure ⁵	4
Total improved parcels evidencing a lack of adequate planning ⁶	4



Figure 14. Building 8-9 on the Keller Station Site presented vacant and deteriorated conditions (photo: 12/7/2021).



Figure 15. Dilapidated structures were evident on the Keller Station Site, including Buildings 5-6 which were to the right of building shown above and recently demolished (photo 12/7/2021).

⁵ The improved parcels exhibiting deteriorated or inadequate public infrastructure represent visible inadequacies relating to lack of adequate storm water facilities. Though not thoroughly documented as of this BDD Plan, the City notes that public infrastructure inadequacies exist throughout the BDD Area due to aging or inadequate streets, sidewalks, sanitary sewer lines, and storm water handling facilities.

⁶ The improved parcels evidence a lack of adequate planning within the BDD Area as it reflects a visible absence of sidewalks, curbs, or access to alleys. Parcels of inadequate shape, size, or setbacks to meet contemporary design standards were found to be present within the BDD Area as well. Although the City of Peoria has benefited from professional planning for more than 150 years, the older structures identified within the BDD Area would have been constructed either prior to being annexed to the City of Peoria or did not necessarily conform to the City’s formal community or comprehensive plans at that time.

4. **Improper subdivision or obsolete platting.** Parcel 14-16-327-007 is a privately-owned, narrow strip of former railroad right-of-way land that is situated between the Rock Island Trail on the west and other private properties to the east, including the Keller Station Site. This parcel does have access to N. Knoxville Ave, but as currently platted, it is largely impractical for redevelopment purposes; and absent sufficient easements or consent to access, may serve as an impediment to future redevelopment of the BDD Area.

Parcel 14-16-376-001 is a small, privately-owned, triangular-shaped lot at the very southern end of the BDD Area upon which a commercial billboard is currently situated (see **Figure 16**). This property as currently situated offers virtually no other practical use unless it could be re-platted and/or combined with a contiguous parcel to configure a new redevelopment site offering greater economic utilization.

Based on these findings, the City has determined that a portion of the BDD study area does not meet contemporary development standards and are characterized by improper subdivision and platting.



Figure 16. The southern most end of the proposed Keller Station BDD Area includes a cluster of small, irregularly shaped parcels (photo: 12/7/2021).

5. **Existence of conditions which endanger life or property by fire or other causes.** The extent to which existing deteriorated, underutilized, and un-occupied buildings still exist on the Keller Station Site presents a fire hazard and economic liability for neighboring structures which are occupied.

Absent the completion of certain public improvements on and adjacent to the Keller Station Site, the lack of adequate, safe pedestrian access across N. Knoxville Ave. (IL 40) by residents in the area who will wish to enter redeveloped portions of the Keller Station Site poses substantial risk to the safety and welfare of the public. The use of BDD revenues to address such unsafe conditions is therefore anticipated by the City.

Effect of Blighting Factors on the BDD Area

1. **Constitutes an economic underutilization.** The City finds the BDD Area to have been incapable of supporting significant economic expansion. The entire Keller Station Site (PIN 14-16-327-008) had been tax-exempt, vacant, and underutilized for twenty-four (24) years prior to the Park District’s 2019 Lease to The Kim Group (*Exhibit 1*), which was executed in reliance on the establishment of the BDD. Portions of the Keller Station Site are still vacant and completely underutilized (buildings 8 and 9) as of the establishment of the proposed BDD; and other portions of the Keller Station Site for which some redevelopment has occurred since 2019 still require substantial, additional investment before the space may be fully sublet and occupied.

As evidenced in *Figure 17* below, an analysis of equalized assessed valuation (EAV) data provided by the Office of the Peoria County Illinois Supervisor of Assessments indicates the remaining six (6) parcels within the BDD Area have experienced stagnant or declining assessed valuations over the last four (4) years.

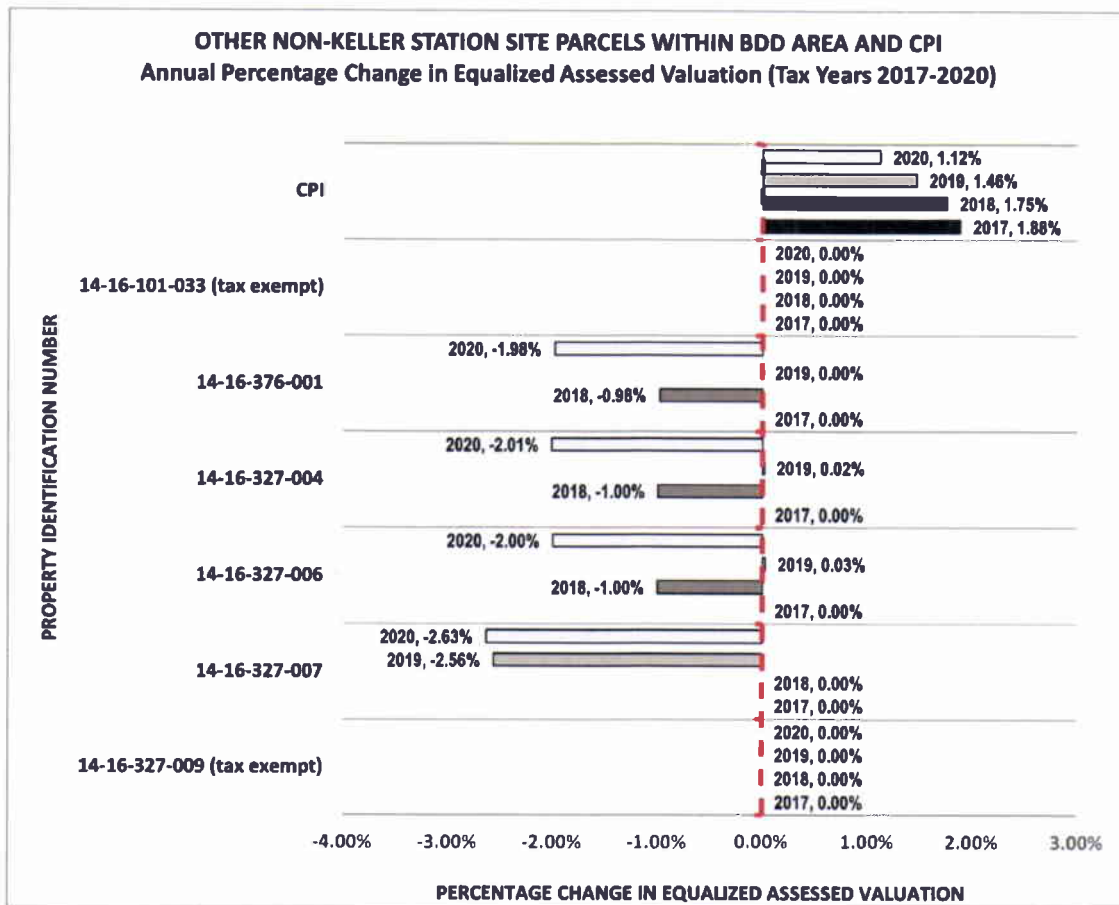


Figure 17. Annual Percentage Change in EAV for Other Non-Keller Station Site Parcels within BDD Area (Tax Years 2017-2020).
Data sources: Office of Peoria County Supervisor of Assessments; and U.S. Department of Labor Statistics.

2. **Constitutes a menace to the public health, safety, morals, or welfare of the community.** Due to the deteriorated condition of the Keller Station Site and its proximity to the Rock Island Greenway Trail, as well as the lack of sufficient and safe pedestrian access to retail

businesses that will be located on the Keller Station Site, the City finds sufficient reason to regard the BDD Area as a menacing risk to the public safety and welfare of the community.

3. **Hinders the provision of housing accommodations.** Absent the full and complete redevelopment of the Keller Station Site, the City finds that the BDD Area has been and is expected to be incapable of contributing to a coordinated effort to address the community’s provision of additional housing accommodations. A portion of the Keller Station redevelopment project as proposed by The Kim Group includes designs for dense apartment living to accommodate work force residents and/or retirees.

4. **Constitutes an economic or social liability.** The City finds the BDD Area constitutes an economic liability to the extent that it has historically experienced:
 - a lack of public and private investment;
 - high vacancy rate and inability to attract new commercial businesses;
 - a lack of significant job growth opportunities;
 - stagnate or declining assessed valuations;
 - a decline in tax revenues; and
 - a general lack of marketability.

**SECTION V.
PEORIA-KELLER STATION BDD REDEVELOPMENT
GOALS AND OBJECTIVES; REDEVELOPMENT PLAN AND PROJECTS**

Redevelopment Goals & Objectives

The purpose of the Keller Station Business Development District is to arrest further decline and underutilization of the proposed BDD Area, which is the subject of this BDD Redevelopment Plan (the “Plan”). The City finds that such further decline, and underutilization is likely to occur, and will further impair the value of private investments within and adjacent to the BDD Area, as well as the sound growth and tax base of overlapping taxing districts. In addition, the City finds that the BDD Area, on the whole, has not been subject to growth and development through sufficient investment by private enterprises and would not reasonably be anticipated to be fully developed or redeveloped without the adoption of this Plan. Therefore, the City of Peoria proposes to use the funds it receives from the development, redevelopment, improvement, maintenance, and revitalization of properties within the BDD Area to help achieve the following goals and objectives:

1. Eliminate or reduce those conditions which qualify the BDD Area as a blighted area and encourage high-quality building design, landscaping and site improvements which conform to City land use and zoning requirements;

2. By improving public infrastructure and encouraging new private investment throughout the BDD Area, the City expects to facilitate the construction, improvement, and maintenance of public and private infrastructure, including but not limited to, the N. Knoxville Ave. (IL 40) and Prospect Road Intersection improvements and other capital projects which the City finds are in furtherance of this Plan or necessary to attract and support new professional and commercial-retail businesses, encourage the retention and expansion of existing businesses, and improve the provision of housing accommodations in the City; and
3. Create new employment opportunities;
4. Help reverse recent population decline by increasing the availability of commercial goods and services that will help to make Peoria more attractive for residential growth;
5. Reduce the number of underutilized properties by further encouraging commercial and some new residential development within the BDD Area that will stimulate the local economy;
6. Enhance the tax base for the City and other taxing districts through coordinated, comprehensive planning efforts by either the public or private sectors;
7. Revitalize and preserve historically significant structures, increase local tourism and further increase retail trade activity, thereby generating new retailer's occupation tax and service occupation tax revenues as may be applicable to the City, other taxing districts, School Districts, and the State of Illinois;
8. Encourage public and private projects that will contribute to the public health, safety, morals, and general welfare of the City; and
9. Increase the aesthetic value of the community, improve the overall quality of life for Peoria's residents and promote the type of development and redevelopment that is in furtherance of the City's goals and objectives cited in the City of Peoria Comprehensive Plan as adopted in 2011. Such goals and objectives include the following:

Anticipated Redevelopment Plan for Public and Private Redevelopment Projects

The goals and objectives of this BDD Plan are not possible without financial assistance. Without the availability of BDD funds, private developers and/or other interested parties will not be able to undertake the projects described below unless the extraordinary costs and risks associated with such projects can be mitigated, in part, through the use of BDD funds.

The City anticipates using BDD funds to attract additional private development and redevelopment projects including, but not limited to, new commercial retail, professional offices, and residential projects and related amenities. The City believes the BDD Area will not be fully developed or redeveloped without the use of BDD Funds. Therefore, the City intends to offer incentives to private developers to further encourage commitments for new private investment and to facilitate public infrastructure improvements during the life of the proposed BDD as described in *Table 2*.

TABLE 2. ANTICIPATED PUBLIC AND PRIVATE BDD REDEVELOPMENT PROJECTS

<i>No.</i>	<i>Description</i>	<i>Anticipated Total Cost</i>
1.	Keller Station Site Redevelopment ⁷	\$15,575,000
2.	Other Private Redevelopment Projects	\$2,500,000
3.	N. Knoxville Ave. (IL 40) & Prospect Rd. Intersection	\$2,000,000
4.	Other Public Redevelopment Projects	\$1,000,000
Total:		\$21,075,000

**SECTION VI.
PEORIA -KELLER STATION BDD FINANCIAL PLAN**

A Business Development District is a special taxing district, authorized to undertake certain public improvements which may be financed through the issuance of notes or bonds that are, in turn, retired by the levy of sales tax within the geographic boundaries of the BDD Area. When the City approves this BDD Plan, it may impose certain taxes, at a rate not to exceed 1.0% of the gross receipts from the sales in 0.25% increments, by ordinance after the date of the approval of the Plan ordinance and until all business district project costs and all municipal obligations financing the business district project costs, if any, have been paid.

The municipality may impose this tax if it has a development or redevelopment plan for an area of the municipality that:

1. is contiguous (i.e., the properties within the BDD Area border each other);
2. includes only parcels of real property that will directly and substantially benefit from the proposed plan; and
3. is a blighted area, as defined by the Act.

If blighted, the City is authorized by the Act to impose certain taxes without voter approval in the form of a Business District Retailers’ Occupation Tax, Business District Service Occupation Tax, and a Business District Hotel Operators’ Occupation Tax. Prior to imposing such taxes, the Corporate Authorities of the City must approve this BDD Plan.

Anticipated Keller Station BDD Eligible Project Costs

The public and private projects and related costs described below in **Table 3** are anticipated to be undertaken by the City, private developers, or other interested parties. The City may enter into Redevelopment Agreements with Developers through which the City can utilize a portion of the BDD funds generated from these projects to reimburse Developers for a portion or all of their BDD eligible

⁷ The total anticipated redevelopment cost of the Keller Station Site is \$16 million, of which \$15,575,000 are expected to be BDD-eligible project costs. Subsequent to the execution of the Lease attached hereto as **Exhibit 1**, more than \$5 million of the anticipated total cost of the redevelopment of the Keller Station Site has been incurred to date.

private project costs as provided in the Act per Section 65 ILCS 5/11-74.3-5. The City further plans to use a portion of any BDD funds generated for BDD eligible public project costs as well. The City may also use tax increment financing funds or any other sources of funds it may lawfully pledge.

All project cost estimates are in year 2022 dollars. In addition to the public and private project costs listed below, developer notes or bonds, if any, that are issued to finance a project may include an amount enough to pay interest, as well as customary and reasonable charges associated with the issuance of such obligations and provide for capitalized interest and reserves as may be reasonably required.

Adjustments to the designated and anticipated line item (public and private) costs provided in this Redevelopment Plan are expected. Each individual project cost and the resulting tax revenues will be re-evaluated as each project is considered for BDD financing under provisions of the Act.

Therefore, totals of line items set forth in this BDD Plan are not intended to place a total limit on the described expenditures or intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the Area, provided the total amount of payment for all eligible redevelopment project costs, public and private, shall not exceed the amount set forth herein or as may be amended in the future. Adjustments may be made to the designated and anticipated line items within the total, either increasing or decreasing line-item costs for redevelopment.

The public BDD projects will benefit and be utilized by all owners, users and tenants of real property located in the BDD Area. To the extent that the City’s BDD projects involve the development or redevelopment of privately owned property, it is not possible currently to identify or describe all the specific private Developers, users, or tenants of such property. As part of the initial establishment of the BDD Area, the City will provide, in the manner prescribed by the Illinois Department of Revenue (the “IDOR”), the boundaries of the business district and each address in the business district in such a way that IDOR can determine by its address whether a business is in the business district. As the Area develops, the City will notify the Local Tax Allocation Division at IDOR in writing of any additions, deletions, or changes of business addresses within the existing BDD Area. Such written notices of additions, changes or deletions may occur provided any related BDD boundary amendments or tax rate Ordinance changes have been properly completed pursuant to the Act.

TABLE 3. ANTICIPATED BDD-ELIGIBLE PROJECT COSTS

<i>No.</i>	<i>Eligible Cost Category</i>	<i>Anticipated Cost</i>
1.	Professional Services <i>(e.g., plans, analysis, administration, studies, legal, marketing, etc.)</i>	\$950,000
2.	Property Assembly <i>(e.g., land & building acquisition)</i>	\$500,000
3.	Site Preparation <i>(e.g., demolition, clean-up, clearing & grading)</i>	\$1,935,000
4.	Public Works/Public Infrastructure Improvements <i>(e.g., streets, bridges, sidewalks, crosswalks, utilities, etc., which per the Act are within or outside of the BDD Area that are essential to the BDD Plan)</i>	\$3,000,000

TABLE 3. ANTICIPATED BDD-ELIGIBLE PROJECT COSTS

No.	Eligible Cost Category	Anticipated Cost
5.	Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements <i>(e.g., repairs, renovations, remodeling, relocation & rehabilitation)</i>	\$9,500,000
6.	Construction or Installation of Buildings, Structures, Fixtures, Equipment, Utilities and Other Surface Improvements	\$4,810,000
7.	Financing Costs <i>(e.g., interest, reserves & cost of issuance related to obligations)</i>	\$7,000,000
8.	Relocation Costs <i>(as deemed necessary and appropriate by the City)</i>	\$150,000
Total:		\$27,845,000

Anticipated Sources of Funds to Pay Project Costs

As authorized by the Act and following the establishment of the BDD Area and approval of the BDD Plan, the City intends to impose the following BDD taxes⁸ which will be applicable to the BDD Area:

Business District Retailers' Occupation Tax. The corporate authorities of the City of Peoria, upon designating this business district pursuant to Section 11-74.3-6(b) of the Act, intends to impose a Business District Retailers' Occupation Tax. Such tax shall be imposed upon all persons engaged in the business of selling tangible personal property within the BDD Area, other than an item of tangible personal property titled or registered with an agency of the State of Illinois, at retail in the business district at the rate of **1.0% of the gross receipts** from the sales made in the course of such business. The tax may not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use. The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Illinois Department of Revenue ("IDOR").

Business District Service Occupation Tax. Pursuant to Section 11-74.3-6(c) of the Act, the corporate authorities of the City of Peoria intend to also impose a Business District Service Occupation Tax. Such tax be imposed upon all persons engaged, in the business district, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the business district, either in the form of tangible personal property

⁸ If deemed necessary to amend the BDD Plan in the future to include the development of projects engaged in the business district in the business of renting, leasing, or letting rooms in a hotel, as defined in the Hotel Operators' Occupation Tax Act, the City may at that time, pursuant to Section 11-74.3-6(d) of the BDD Act, impose a BDD Hotel Operators' Occupation Tax at a rate not to exceed 1.0% of the gross rental receipts from the renting, leasing, or letting of hotel rooms within the business district.

or in the form of real estate as an incident to a sale of service. **The tax shall be imposed at the same 1.0% rate as the tax imposed for the Business District Retailers' Occupation Tax** on the selling price of tangible personal property so transferred within the business district. The tax may not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use. The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Illinois Department of Revenue.

Intended uses of the Business District Retailers' Occupation Tax and Business District Service Occupation Tax:

Upon completion of the redevelopment projects, the City of Peoria currently projects the average annual Business District Retailers' Occupation Tax and Business District Service Occupation Tax that will be collected from businesses located within the BDD Area will amount to approximately **\$165,000** per calendar year. Upon receiving BDD funds from the IDOR, the City shall deposit such funds to the *"Peoria-Keller Station Business Development District Special Tax Allocation Fund"* for the purposes of paying or reimbursing business district project costs and obligations incurred in the payment of those costs.

Other Sources of Funds for Implementation of this BDD Plan

Other sources of funds that may be used to pay the costs of implementing this BDD Plan may include, but are not limited to, the following:

1. Private equity capital which is available to private Developers through their own cash reserves or financing sources;
2. Assistance through Tax Increment Financing and/or Enterprise Zone incentives;
3. Revenue available because of development assessments, purchase and sale agreements, and leases entered between the City and other individuals or entities;
4. Improvements by third-party tenants;
5. Special Assessments;
6. Special Service Areas, if any, that the City may create within the BDD Area and impose additional property taxes upon properties located within such special service areas to pay the costs of providing special services that may be performed from time to time within such special service areas with the BDD Area in support of the goals and objectives of this BDD Plan;
7. Grants and loans from the United States or the State of Illinois, or any instrumentality of the federal or state government and units of government thereof;

8. General revenues of the City, to the extent such revenue is not necessary to fund other operations of the City;
9. The City may issue obligations in one or more series in the future, maturing and bearing interest at rates and having such other terms and provisions determined by the City by Ordinance and in whole or in par secured and/or paid from funds or deposits credited to the "Peoria-Keller Station Business Development District Special Tax Allocation Fund"; and
10. Other legally permissible sources of public financing that may be identified at such time in the future that the City may deem appropriate to fund BDD project costs.

The exact portion of project costs the City may reimburse from each of the above referenced sources of funds will depend upon the availability of funds from these sources and the approval of written redevelopment agreements by and between a private developer(s) and the City of Peoria.

SECTION VII. OTHER STATUTORY REQUIREMENTS

Future Land Use and Zoning. The general uses of the land within the BDD Area shall conform to the existing and future land uses as well as current and future zoning and subdivision codes of the City of Peoria.

Commitment to Fair Employment. The City of Peoria will comply with fair employment practices and an Affirmative Action Plan in the implementation of this BDD Plan and Projects.

Amendments to the Peoria-Keller Station Business Development District Plan and Area. Pursuant to Section 5/11-74.3-2(f) of the Act and other applicable City Ordinances, the City may amend the BDD Plan, the boundaries of the BDD Area, and the taxes provided for in subsections (10) and (11) of Section 11-74.3-3 may be imposed or altered.

Business District Tax Allocation Fund. Upon adopting an Ordinance approving this BDD Plan, the City shall establish the "Peoria-Keller Station Business Development District Special Tax Allocation Fund" for the purposes of paying or reimbursing business district project costs and obligations incurred in the payment of those costs. The business district tax allocation fund shall be dissolved no later than 270 days following payment to the municipality of the last distribution of taxes as provided in Section 11-74.3-6.

Term of the Peoria-Keller Station Business Development District Taxes, Plan and Projects. Upon payment of all business district project costs and retirement of all obligations paying or reimbursing business district project costs, but in no event more than twenty-three (23) years after the date of adoption of the ordinance imposing taxes pursuant to subsection (10) or (11) of Section 11-74.3-3, the municipality shall adopt an ordinance immediately rescinding the taxes imposed pursuant to subsection (10) or (11) of Section 11-74.3-3.

Nature and Term of Bonds or Notes. The City may utilize a "pay-as-you-go" approach to financing private eligible BDD project costs. Pursuant to Section 11-74.3-6(e) of the Act, obligations secured by the "Peoria-Keller Station Business Development District Special Tax Allocation Fund" may also be issued to

provide for the payment or reimbursement of business district project costs. The City may issue bonds or other obligations to fund public infrastructure or other eligible project costs. The City may secure such obligations by pledging, for any period of time up to and including the dissolution date, all or any part of the funds in and to be deposited in the Business District Tax Allocation Fund to the payment of business district project costs and obligations which do not exceed 20 years in length, or the term of Peoria-Keller Station Business Development District, whichever is less. The City may also issue revenue bonds, notes, or other obligations to fund private eligible project costs as well which would also be limited to 20 years in length. The repayment of debt service of these obligations would be limited to the BDD funds generated as permitted by the Act and/or other pledged funds authorized by the City including, but not limited to, tax increment financing funds, special service area taxes and special assessments.

BDD Contracts. The City shall have the power to make and enter into all contracts necessary or incidental to the implementation and furtherance of a business district plan. A contract by and between the municipality and any developer or other nongovernmental person to pay or reimburse said developer or other nongovernmental person for business district project costs incurred or to be incurred by said developer or other nongovernmental person shall not be deemed an economic incentive agreement under Section 8-11-20, notwithstanding the fact that such contract provides for the sharing, rebate, or payment of retailers' occupation taxes or service occupation taxes (including, without limitation, taxes imposed pursuant to subsection (10)) the municipality receives from the development or redevelopment of properties in the business district. Such contracts are hereby deemed necessary by the City to address the blighting factors described herein, and to address the historic lack of growth and private investment for which the City finds is unlikely to be satisfactorily addressed but for the availability of funds as may become available in the *Keller Station Business District Special Tax Allocation Fund*.

Contiguity of Parcels within BDD Area. All parcels within the Keller Station BDD Area are contiguous and are expected to directly and substantially benefit from the BDD Redevelopment Plan. A list of known street addresses currently located within the Keller Station BDD Area are attached hereto as ***Exhibit 3***.

Contiguous BDD Areas. The City may utilize the revenue from a business district retailers' occupation tax and service occupation tax imposed under paragraph (10) and a hotel operators' occupation tax under paragraph (11) of Section 11-74.3-3 in connection with one business district for eligible costs in another business district that is: (A) contiguous to the business district from which the revenues are received; (B) separated only by a public right of way from the business district from which the revenues are received; or (C) separated only by forest preserve property from the business district from which the revenues are received if the closest boundaries of the business districts that are separated by the forest preserve property are less than one mile apart.

**SECTION VIII.
CONCLUSION**

The City of Peoria, Peoria County, Illinois has determined that to promote the health, safety, morals, and welfare of the public, blighted conditions need to be eradicated, conservation measures instituted, and that redevelopment within the Peoria-Keller Station Business Development District should be undertaken. In order to remove and alleviate adverse conditions, it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts by the development or redevelopment of the Area.

The Mayor and City Council hereby conclude that it is in the best interest of the City and that the citizens of Peoria will benefit by the adoption of this Peoria-Keller Station Business Development District Plan, Projects, and Area.

CITY OF PEORIA, ILLINOIS

By: _____ Date ____ / ____ / 2022
Mayor

Attest: _____ Date ____ / ____ / 2022
City Clerk

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EXHIBIT 1

LEASE AGREEMENT
by and between
THE KIM GROUP, LTD.
and

PLEASURE DRIVEWAY AND PARK DISTRICT OF PEORIA

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LEASE

THIS LEASE ("Lease") is made and entered into by and between Landlord and Tenant as of the first day of January, 2019 (the "**Effective Date**").

WITNESSETH:

Subject to, and on the terms and conditions of, this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises.

1. **RECITALS.** This Lease is based upon the following determinations and/or observations of the Board of Trustees of the Landlord:

A. Landlord currently owns the hereinafter described Premises known as the former IDOT headquarters; and

B. The Premises is vacant and in need of extensive renovation or demolition; and

C. Under the authority of the Illinois Park District Code (70 ILCS 1205/10-7) Landlord may lease real estate that the Board of Trustees of Landlord deems is not required for park or recreational purposes; and

D. The Board of Trustees of Landlord has determined that the Premises is not required for park or recreational purposes; and

E. The Tenant has expressed a desire for the Landlord to lease the Premises to Tenant for renovation and development; and

F. Landlord has determined that it is in the best interest and the general welfare of the public (and is in furtherance of the responsibilities of the Landlord to its citizens and residents) that the Property be privately redeveloped so as; i) to become economically productive and tax producing; and ii) to address the deteriorating conditions to which the Premises has become subject; and

G. As a result of a response to a Request for Proposals for the redevelopment of the Premises issued May 25, 2018, by the Landlord, Landlord and Tenant desire to provide for the leasing of the Premises from the Landlord to the Tenant upon the terms and conditions set forth herein, all of which have been determined to serve the purposes and intentions as above described.

2. **BASIC TERMS.** The key business terms of this Lease and certain defined terms used herein are as follows:

A. "**Landlord**": Pleasure Driveway and Park District of Peoria, Peoria, Illinois

B. "**Tenant**": 6035 Knoxville, LLC, an Illinois Limited Liability Company

C. "**Premises**": Approximately 7.06 acres of land described in the Legal Description attached hereto as **Exhibit A** as further depicted on the diagram attached hereto as **Exhibit B** and made a part hereof. Included in and as a part of the Premises are the various improvements currently situated thereupon including without limitation multiple buildings,

parking areas, landscaping, and walkways, together with additional improvements that are contemplated to be constructed thereon by Tenant as hereinafter described which, once constructed, shall also constitute a part of the Premises. In addition, Tenant shall be entitled, as part of the Premises to (a) all appurtenances, rights, privileges and easements benefiting, belonging or pertaining to the Premises; (b) any and all right, title and interest of Landlord in and to any land lying in the bed of any street, road or highway in front of or adjoining the Premises, together with any strips and gores relating to said Premises, and (c) all surface water rights associated with the Premises. For later hereinafter described purposes, the Premises is divided into (and consists of) four (4) currently planned portions thereof (herein sometimes referred to as "Phases") which are generally depicted upon the attached **Exhibit C** and listed below (each Phase of which is more particularly described on the attached **Exhibit D**) with it being further intended (as later more particularly described) that a fifth Phase may be configured out of the four (4) currently depicted Phases and later developed separately as a Phase V. After Phase I, Tenant may modify the order of buildings set forth in each phase and shall deliver notice of any such change to Landlord.

Phase I – Containing the Buildings labelled 1 and 2

Phase II – Containing the Buildings labelled 3 and 4

Phase III – Containing the Buildings labelled 5 and 6 and Pedestrian Mall labelled 7

Phase IV – Containing the Buildings labelled 8 and 9

Phase V – To be a portion of the Premises created from one or more of above Phases (upon which a future building or buildings may be constructed)

D. **"Commencement Date"**: The Effective Date of the Lease.

E. **"Lease Term"**: A term commencing on the Effective Date and continuing for fifty (50) years following the Effective Date. With respect to the foregoing, the Landlord acknowledges and recognizes that such Lease Term is the maximum currently permitted for this Lease by the laws of the State of Illinois. Notwithstanding the foregoing, the Landlord has also determined that it is in the best interest of Landlord, the public, and the constituents of, and served by, the Landlord that there be (and established) a longer Lease Term to the extent provided by law. In this respect, the Landlord and Tenant agree to mutually cooperate in the support of legislation to change the laws of the State of Illinois such that this Lease (and other similar leases as may be entered into by the Landlord with other private third parties) be permitted to extend through to and have a term for a total of ninety-nine (99) years from its effective date. In such a case, if otherwise permitted by law in connection therewith, the Lease Term of this Lease shall automatically extend (without any further action required by the Board of Trustees of the Landlord) such that, and in such manner, as though the original Lease Term of this Lease was ninety-nine (99) years instead of fifty (50) years.

The Landlord recognizes that the Tenant may from time to time in the future request that this Lease and the Lease Term be extended as (and to the extent) as may then be permitted by law at the time of the request. In such a case, the Landlord agrees to (in good faith) evaluate such request and, as a meritorious factor in such evaluation, Landlord shall consider (if applicable) the Tenant's previous successful and proper performance of the obligations and provisions hereof in and as a part of Landlord's analysis and determination in connection therewith. Barring any unsuccessful or improper performance by Tenant, Landlord shall make all reasonable efforts to comply with Tenant's request for the extension of this Lease.

F. **"Lease Year"**: Each successive twelve (12) calendar month period during the Lease Term.

G. **"Leasable Area"**: The Leasable Area of any Building upon the Premises shall be the entire area (inclusive of all floors/stories) within any Building, being the area bounded by: i) the outside extremities of all exterior walls (or exterior plate glass); ii) the interior ceiling surface of the room(s) of the uppermost floor(s); and iii) the interior top surface of the lowermost floor(s);, without deduction for any interior areas such as corridors, stairways, escalators, elevators, restrooms, mechanical rooms, electrical rooms, telephone closets, vertical penetrations of the floors, columns, or any other structural portions situated in any such Building, but excluding any attics and/or other areas between the ceiling(s) of uppermost rooms and the roof surface of a Building, and also excluding any basement areas and so-called crawl spaces as may be vacant or only used for mechanical equipment and/or storage by Tenant (and not other third parties) of items appurtenant or reasonably necessary to the operation or maintenance of the Building .

H. **"Landlord's Notice Address"**: Pleasure Driveway and Park District of Peoria, 1125 W. Lake Ave., Peoria, Illinois 61614 – Attention: Finance Department

Address for Rent: Pleasure Driveway and Park District of Peoria, 1125 W. Lake Ave., Peoria, Illinois 61614 – Attention: Finance Department

I. **"Tenant's Notice Address"**:

P.O. Box 3794, Peoria, Illinois 61612, and to Tenant's Leasehold Mortgagee(s), if required by this Lease.

J. **"Replacement Reserve"**: An amount of money actually reserved, funded, and set aside in a segregated account earmarked for, and limited to, payments for replacements of building components, equipment and/or other capital assets of or upon the Premises and used for the intended uses and purposes as herein set forth.

3. **DEMISE / POSSESSION / ACCEPTANCE OF PREMISES**

A. **Lease**. Upon and subject to the terms and conditions set forth herein, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises.

B. **Possession**. Possession of the Premises shall be given and granted to Tenant upon the satisfaction or waiver by the parties of the Initial Development Conditions hereinafter described; subject, however, to the right of the Landlord to maintain possession of, and access to, those portions of the Premises (for the purpose of removal therefrom of various items of personal property of the Landlord) until at least the designated dates set forth opposite the description of the respective portion thereof as follows:

- i) Building 1 (Phase I): Through to and including 1/31/2019
- ii) Building 2 (Phase I): Through to and including 3/31/2019
- iii) Buildings 3, 4 (Phase II), 5 & 6 (Phase III): Through to and including 2/28/2019
- iv) Building 8 & 9 (Phase IV): Through to and including that day which is sixty (60) days after Tenant provides written notification that Tenant is prepared to commence development/construction work on the redevelopment and renovation of Phase IV.

Upon the giving and providing of possession (i.e. the "delivery") by the Landlord to Tenant of any respective Phase/portion of the Premises, Tenant and Landlord shall (conditioned upon satisfaction or waiver of the pre-conditions for Tenant's acceptance thereof) execute a Delivery Acceptance Agreement substantially in the form of that which is attached as Exhibit E to establish and confirm such delivery/acceptance and various dates and other matters with respect thereto.

C. **Utilities / Insurance / Maintenance.** Commencing upon that date that delivery of possession is given and provided to Tenant of any Phase or portion of the Premises in accordance with the foregoing and Tenant has accepted same, the Tenant shall then be responsible to, at Tenant's expense, : i) pay any and all utilities for the Premises as more specifically described hereinafter; ii) pay and provide insurance for the Premises as more specifically described hereinafter; and iii) pay and provide for the repair and maintenance of the Premises; provided, however, that the foregoing obligations of Tenant shall not apply to any Phases or portions of the Premises for which the Landlord retains possession pursuant to Section 3.B above (during which period[s] of retained possession by Landlord the Landlord shall, with respect to such Phase[s] or portion[s] be responsible for same). For example, it is contemplated that Landlord shall retain possession and use of the Buildings upon Phase IV for an extended period of time after the Effective Date hereof, and during such period of the retention thereof such obligations relating to utilities, insurance and maintenance therefor shall be the obligations of the Landlord.

D. **Physical Condition.** Tenant acknowledges that it has made thorough inspections of the Premises, and Tenant acknowledges and confirms that, in its present condition, the Tenant is fully satisfied as to the condition of the Premises. Upon taking possession of any Phase for its development/redevelopment and the other intended purposes set forth herein, Tenant shall be conclusively deemed to further acknowledge and confirm that Tenant is fully satisfied with the condition of the Premises and then accepts the Premises in an "**AS IS**" / "**WHERE IS**" / "**WITH ALL FAULTS**" condition at such time, without any right of set-off or reduction in any Rent or other amounts due hereunder to Landlord relating to the condition of the Premises. Consistent with the foregoing, Tenant acknowledges that, with its acceptance of possession of any Phase of the Premises, Tenant does so without any representation or warranty whatsoever, express, implied or otherwise, including without limitation as to the: i) value, nature, quality or physical condition of the Premises; ii) any ability to derive income therefrom; iii) the merchantability, marketability, profitability or fitness of the Premises for a particular purpose; iv) compliance of or by the Premises with any laws, rules, ordinances or regulations of any governmental authority; v) and the manner, quality, state of repair or lack of repair of the Premises; or vi) any other matter regarding the Premises. Specifically, in that regard, Tenant acknowledges that Landlord has provided so-called Phase 1 and Phase 2 environmental reports regarding the Premises to Tenant prior to the execution of this Lease, and Tenant confirms that Tenant is fully satisfied with its environmental condition.

4. **INITIAL DEVELOPMENT CONDITIONS.** This Lease is subject to the following "Initial Development Conditions" that shall be applicable to and for each Phase of the Premises prior to any possession or development activities thereof by the Tenant, which conditions shall be for the benefit of both the Landlord and Tenant, for which any waiver thereof (with respect to any and all Phases) may only be by both the Landlord and Tenant acting mutually with respect thereto:

A. **Uses Lawfully Permitted.** The Tenant obtaining through any and all appropriate and necessary proceedings therefor, written evidence satisfactory to the parties that the zoning of the applicable Phase is, or has been changed to a zoning classification under the applicable zoning laws and regulations of the City of Peoria to permit the applicable Phase to be used for the Tenant's intended purposes as mixed use (multi-family residential, commercial retail, and/or office) (the "Permitted Uses");

B. **Financing.** Tenant obtaining sufficient evidence of unconditional and reliable commitments by: i) private financing; ii) private equity investment; and or iii) government grants, credits, tax rebates, loans and/or other financial incentives; upon such terms and conditions as are reasonably acceptable to Tenant, to demonstrate that the redevelopment of the applicable Phase is in so-called "balance". For purposes of the foregoing, the terms in "balance" shall mean that the revenue from the said available sources equal or exceed the costs of redevelopment/construction of the applicable Phase based upon reasonable evidence thereof obtained/furnished by Tenant (e.g. by contractual bids for the contemplated work together with a reasonably sufficient contingency reserve);

C. **Preconstruction Lease Commitments.** Tenant obtaining lease commitments upon customary and market terms and conditions (conditioned only upon delivery to the prospective tenants of the respective properly completed leased areas of the applicable Phase) of at least fifty percent (50%) of the prospective Leasable Area of the Building(s) upon the applicable Phase from prospective tenants unrelated to Tenant and with demonstrated creditworthiness to support the financial obligations of such tenant of the obligations under the respective executed lease. For purposes of the foregoing, however, such Leasable Area shall only include the aggregate of those portions of the Leasable Area of a Building as shall be exclusively occupied and leased by tenants of Tenant, and shall not include commonly shared areas or other areas not generally available for the use by such tenants (e.g. utility/mechanical rooms),

D. **Knoxville Ave. Intersection.** With respect to any Phase to be commenced after the completion of Phase I or with respect to any Phase to be redeveloped other than Phase I (in the event that another Phase is commenced prior to the redevelopment of Phase I), the Tenant shall have obtained, through any and all appropriate and necessary proceedings therefor, written evidence satisfactory to the parties that Tenant has secured all appropriate approvals to install and construct a western "leg" of the intersection of Prospect Ave. and Knoxville Ave. so as to provide a full signalized intersection (with the western leg being an entrance into the Premises) for vehicular ingress and egress to serve the Premises. With respect to the installation by Tenant of said western leg of the intersection, the cost thereof shall be included as part of the budget of the respective Phase being developed/redeveloped contemporaneously with such Phase for purposes of determining whether or not the condition for the expected revenues (whether derived from capital from investors; public or private loans; government grants, incentives, or programs; or any other third party source) and expected costs for such Phase is "in balance" under Section 4.B above. That is, no matter what are the anticipated and committed sources of funds (and no matter from where such funds are derived) for the completion of the development/redevelopment of any particular Phase, the aggregate of such sources of funds must equal or exceed the anticipated needs and uses for such funds with respect thereto.

E. **Expansion of Enterprise Zone.** The Tenant obtaining through any and all appropriate and necessary proceedings therefor, written evidence satisfactory to the parties that the Enterprise Zone for the City of Peoria has been expanded to include the Premises

(together with the benefits and rights applicable thereto being applicable and commencing for each Phase as of the date that construction commences for such Phase). To the extent that the latter would require the Premises to be subdivided (with respect to each applicable Phase for which the benefits and rights would commence and separately apply), then, at the written request of the Tenant, the Landlord agrees to mutually assist and cooperate with (and join with the Tenant for the filing and pursuit of) any and all procedures to accomplish same; provided, however, that any expenses in connection therewith (e.g. survey platting, filing fees, etc.) shall be at the expense of the Tenant.

F. **Establishment of Business District.** The Tenant obtaining through any and all appropriate and necessary proceedings therefor, written evidence satisfactory to the parties that a so-called Business District (under the Illinois Business District Development and Redevelopment Law, 65 ILCS 5/11-74.3-1 et. seq.) has been established to include the Premises and possibly additional property so as to provide for the collection of an additional one percent (1%) of tax upon retail sales originating from the Premises to be repaid to the Tenant for application of such collected taxes upon proper and eligible costs as permitted by law for the development and/or operations upon the Premises.

G. **Access to Northmoor Rd.** The Landlord obtaining through any and all appropriate and necessary proceedings therefor, written evidence satisfactory to the parties that the Premises has legal and sufficient rights of vehicular access to and from the Premises and the public street known as Northmoor Rd. to support and be used in connection with the Permitted Uses to be conducted upon the Premises. In the context of the foregoing, satisfactory written evidence may be provided by, among other things, an affirmative commitment for the issuance of a title insurance policy by a reputable title insurance company insuring (as a part of a leasehold title insurance policy to Tenant with respect to the leasehold created by this Lease) that such access exists and/or insuring (to the extent of such title policy's limits) against any loss of, or failure of, Tenant to have such access.

In the event that the above Initial Development Conditions are not fulfilled to the reasonable satisfaction of both of the parties within one (1) year from the Effective Date hereof, this Lease shall be automatically (without further action or notice by a party) terminated unless: i) the parties mutually agree to extend such period; or, ii) within three (3) days after the expiration of the said one (1) year period, a party desiring to continue this Lease (and not have it terminate) provides written notice to the other party that such party intends to satisfy all unsatisfied Initial Development Conditions and thereafter obtains the satisfaction of any and all Initial Development Conditions that were yet unsatisfied no later than ninety (90) days after the end of the said one (1) year period and furnishes reasonable evidence of the satisfaction thereof to the other party. If a party fails to give such three (3) day notice of its intention to satisfy same or, after giving such three (3) day notice fails to provide such evidence of the satisfaction of same on or before the said ninety (90) days after the expiration of said one (1) year period, then this Lease shall automatically terminate (without further action or notice by a party) and all rights and obligations of both parties hereunder shall terminate (except where such rights and obligations are expressly, under the provisions hereof, to survive such termination).

In connection with the satisfaction of the above Initial Development Conditions, the Tenant shall be permitted reasonable access to the Premises for same; provided, however, that the Tenant shall indemnify and hold Landlord harmless of and from any and all damages, claims, causes of action or fees (including reasonable attorneys' fees) as may be incurred or threatened against the Landlord by reason of Tenant's entry upon the Premises for such purposes. To the extent that any such intrusions are required, then Tenant shall keep such intrusions to the least as are

reasonably possible and practicable, and upon completion of same shall restore the Premises to substantially its same condition as existed prior to such entry or intrusion.

5. Supplemental Development Objectives. The parties acknowledge that there are various objectives which are desirable and beneficial for the Tenant's intended uses and purposes for the Premises, but which do not constitute preconditions for either party to the effectuation or implementation of this Lease. The Landlord agrees that Landlord shall assist and cooperate with the Tenant in the Tenant's obtaining and achieving such following objectives; provided, however, that the foregoing shall not require the Landlord to expend money therefor or to incur obligations not otherwise currently binding upon and/or applicable to Landlord or the Premises:

A. **Acquisition of Adjoining Properties.** The Tenant's acquisition of parcels of property that adjoin the Premises along its northern and southern boundaries for which Tenant may develop/redevelop same generally consistent with the type and quality of development/redevelopment contemplated for the Premises;

B. **Historic Tax Credit Qualification.** The Tenant's confirmation of the qualification for any portions or all of the Premises and any or all improvements situated thereupon for: i) the Historic Tax Credit program administered by the United States National Park Service and the Internal Revenue Service of the United States Treasury Department; ii) the Illinois Historic Preservation Tax Credit program administered by the Illinois Department of Commerce and the Illinois Department of Natural Resources; and iii) any other tax credit program, grant, or development incentive as may be available to and for historic structures or landmarks; and

C. **Development/Redevelopment Incentives.** The Tenant's obtaining of other development or redevelopment benefits, grants, programs, loans, incentives of and from governmental bodies (including without limitation the City of Peoria) for the purpose of meeting and/or providing for the payment or reimbursement of costs incurred in the anticipated development of the Premises by the Tenant.

6. RENT. As an initial Rent deposit, Tenant shall pay to Landlord the sum of Forty Thousand Dollars (\$40,000.00) payable in two installments, the first installment being for Twenty Thousand Dollars (\$20,000.00) payable upon the Effective Date hereof, and the second installment of Twenty Thousand Dollars (\$20,000.00) payable on the later of: i) March 31, 2019; or ii) that date upon which the Initial Development Condition set forth in Section 4.G above (relating to the access to Northmoor Road) has been satisfied or waived. Such amount (which shall be for the purpose of defraying or applying upon costs incurred or to be incurred by Landlord for moving/relocation from portions of the Premises currently occupied by the Landlord and/or upon other costs incurred or to be incurred otherwise by Landlord in the implementation of this Lease) shall be non-refundable by Landlord to the Tenant notwithstanding any termination of this Lease as a result of the failure of the satisfaction of any Initial Development Conditions or for any other reason other than the default by Landlord under the terms of this Lease. Upon and after the Rent Commencement Date of the first Phase to be completed and occupied by tenants, such initial Rent deposit may be credited by Tenant upon Rent as and when such Rent obligations then become due and payable as hereinafter provided.

Rent shall be payable by Tenant to Landlord commencing upon the Rent Commencement Date for each respective Phase. For purposes hereof, the "Rent Commencement Date" shall be:

Phase I: the earlier of either: i) that date nine (9) months after the date upon which a temporary certificate of occupancy is issued by the City of Peoria; or ii) that date upon which any Building upon the applicable Phase becomes occupied by any tenant (other than The Kim Group or 6035 Knoxville, LLC) for the uses and purposes for which the Leasable Area of such Building is intended.

Phases II-V: that date one month after the date upon which (for greater than fifty percent [50%] of the Leasable Area of a Building) there has been issued by the City of Peoria either a permanent or temporary/conditional certificate of occupancy for such Building (new or redeveloped) upon the applicable Phase.

Within thirty (30) days after each respective Rent Commencement Date, Tenant and Landlord shall execute and provide to the other a Rent Commencement Agreement substantially in the form as that attached hereto as **Exhibit E** setting forth the Rent Commencement Date for such Phase.

Upon Rent Commencement for a Phase, Rent shall be calculated and payable to Landlord as follows for each Phase as and after Rent Commencement takes place with respect thereto:

A. **Rate / Amount.** For each Phase the rate of Rent shall be based upon an amount per square foot of and for the total Leasable Area in each Building of a completed Phase. The rate of Rent will provide for a three (3) year so-called "ramp-up" period as set forth below, in order to allow for the stabilization, and the securing of the highest occupancy, of each Phase before changing to a base annual rental rate of two and no/100 dollars per square foot of Leasable Area of all Buildings upon the respective applicable Phase, beginning in year four (4) and continuing thereafter as follows:

Lease Year 1 ----- One and no/100 dollar (\$1.00) per square foot
 Lease Year 2 ----- One and 50/100 dollars (\$1.50) per square foot
 Lease Year 3 ----- One and 75/100 dollars (\$1.75) per square foot

Lease Year 4 (and thereafter, subject to possible rent increases as set forth below) ----- Two and no/100 dollars (\$2.00) per square foot

Such annual rate of Rent for each Phase shall, upon and after the commencement of the payment of Rent, be payable monthly, in advance without demand, upon the first day of each and every month during the Lease Term without demand, on or before the first day of each calendar month, with Rent for any partial month to be paid on a per diem basis (payable with, and as an addition to, the first full monthly payment immediately following the partial month).

Commencing with Initial Review Year (later described) and every year thereafter on a calendar year annual basis, the Tenant shall also, in addition to the per square foot rate of Rent payable in monthly installments, potentially pay to the Landlord a certain amount of Net Cash Flow (defined hereinafter) which shall be in accordance with the following distribution priority (in the order set forth) to the extent of the annual Net Cash Flow for each applicable calendar year:

First Priority Distribution --- Fifty Thousand Dollars (\$50,000.00) retained by Tenant for the Replacement Reserve

Second Priority Distribution --- That amount of money sufficient to pay to the LLC members of the Tenant an annual return of Ten Percent (10%) of the cash/capital contribution(s) of each such member for which membership interests/units have been issued to such member therefor.

Third Priority Distribution --- One Hundred Thousand Dollars (\$100,000.00) retained by Tenant for the Replacement Reserve

Fourth Priority Distribution --- Remainder equally as follows: i) one third to the LLC members allocated in accordance with their respective percentage membership interests in the Tenant; ii) one third retained by Tenant for the Replacement Reserve; and iii) one third to Landlord (which one-third for purposes hereof shall be referred to as the "Landlord's Cash Flow Payment").

For purposes hereof, "Net Cash Flow" shall mean all receipts of cash or cash equivalents (on the cash receipts and disbursements basis of accounting) with respect to any fiscal year (or fractional portion thereof) from rents, lease payments, and any and all other sources (including without limitation distributions from entities owned, in whole or in part, by the Tenant; cash from operations or investments; proceeds from the sale, exchange or other disposition of assets owned, in whole or in part, by the Tenant; and any excess cash from the refinancing of any debt of the Tenant); **less:** i) cash disbursements for usual, customary, and competitive so-called "operating expenses" (including without limitation payments for insurance, taxes, legal expenses, utilities, repair and maintenance, professional services, salaries, advertising, promotion, and equipment rental); ii) payments of interest, principal and premiums under any loans (or credit extended to the Tenant) incurred in connection with the operation of the Tenant and the uses and purposes of and for the Premises as contemplated herein; iii) payments for capital construction, replacement, alterations, or acquisition of assets of the Tenant (to the extent not paid/funded by the Replacement Reserve for which deduction/exclusion from cash flow is otherwise herein provided); iii) money retained for the reasonable working capital needs of the Tenant; iv) payments for the acquisition/redemption of any member's or members' ownership/investment interests in the Tenant, provided that same is in complete cancellation/redemption of such member's interest and that such member thereafter no longer retains any interest in the Tenant or in any distribution therefrom (cash or otherwise); v) replacement reserves retained in the Replacement Reserve account into which cash of the Tenant is to be retained pursuant to the distribution priority of Net Cash Flow otherwise set forth herein; and receipts of insurance or condemnation proceeds (other than business or rent loss coverage payments) to the extent reinvested in the repair, reconstruction, and/or restoration of the Premises or improvements thereupon.

Throughout the Lease Term, Rent shall increase for each Phase with so-called "rent bumps" as follows:

For reference purposes, that calendar year of January 1 through December 31 that follows after the end of the third full Lease Year (following the Rent Commencement Date of the applicable Phase) shall be the "Initial Review Year" for which such review shall be made. That five (5) year period following the commencement of the Initial Review Year shall constitute a Review Period. Each subsequent five (5) year period after the initial five (5) year Review Period shall similarly also constitute a "Review Period" and each first year of any such subsequent Review Period shall respectively be the Initial Review Year for that particular Review Period. With respect to any Review Period, the rate of Rent payable to Landlord shall thereafter increase (or remain the same) commencing with that Lease Year immediately following the Review Period (for which the review is being made) in accordance with the following. First, a comparison shall be made between the annual gross Rent of the Tenant's operations from the applicable Phase between the Initial Review Year and the last year of the Review Period so as to determine the percentage of increase (if any) in annual gross Rent (the "Review Percentage") received by Tenant from the applicable Phase over that Review Period.

The annual gross Rent amount for the Initial Review Year shall be multiplied by that Review Percentage to provide a "Review Comparison Amount". If the collective amount of Landlord's Cash Flow Payments (if any) during the five year Review Period equal or exceed the Review Comparison Amount, there shall be no increase in the per square foot rate of Rent for the next succeeding five year period that follows the Review Period. If the collective amount of Landlord's Cash Flow Payments (if any) during the five year Review Period are less than the Review Comparison Amount, then Tenant shall, within thirty (30) days of such determination pay to Landlord the deficiency between the Review Comparison Amount and the collective amount of the Landlord's Cash Flow Payments, and then the annual rate of Rent (on a per square foot basis) shall increase by the Review Percentage for the next succeeding five year period that follows the Review Period. In the event that the Review Comparison Amount is negative, there shall not be a decrease in the rate of Rent or any reimbursement (or credit upon any future Landlord Cash Flow Payments), and the annual rate of Rent shall remain the same as it was during the Review Period. Attached hereto as **Exhibit F** is a spreadsheet analysis to demonstrate, as an example, how the foregoing review, analysis, and application of potential rent increases (if any) would apply. As multiple Phases are completed and Rent respectively commences as to each, the consequence of the application of the above analysis will be that each Phase for purposes of a Rent increase analysis shall only be made at or about January 1 of a year, since the Initial Year for each Phase will always start on a January 1; provided, however, that it is acknowledged that the five year Review Period for each Phase may not end contemporaneously with other Phases. As a result of the latter, there may be some years for which one or more other Phases may not have a Rent increase analysis at the same time/year as other Phases.

For purposes of any rent increase review as set forth above, where tenants of any Building occupy their leased space(s) under a so-called triple-net or absolute net lease arrangement, the annual Rent amount received from such tenants shall be the annual net Rent amount payable during each calendar year under their respective lease(s) (i.e. without the inclusion of items such as the following as would be paid by the tenant[s]: taxes, insurance, maintenance expenses). Where tenants of any Building occupy their leased space(s) under a so-called gross lease, then for purposes of the rent increase review analysis the annual Rent received from such tenants shall be the annual gross Rent amount payable during each calendar year under their respective lease(s) less expenses paid for general real estate taxes (not to include special assessments or taxes for any special service area) together with other municipal/governmental fees or taxes uniformly imposed and payable to a municipality or governmental body having jurisdiction over the Premises to specifically defray costs relating to governmental improvements or services (e.g. storm water management district taxes/fees, utility fee [i.e. so-called "flush tax"], and public safety personnel fee or pension) .

B. **Audit Rights.** For purposes of conducting the above referenced review to determine increases (if any) in the rate or amount of Rent, of Tenant's records evidencing annual Rent receipts shall be kept for at least seven (7) years following the expiration of a Lease Year and may be inspected by Landlord during ordinary business hours at Tenant's business office upon at least ten (10) days' notice from Landlord, provided such audit shall be performed only by Landlord's Certified Public Accountant, accounting firm, auditor, legal counsel, or other professional representative, which must be disclosed to Tenant in advance of such audit, and such auditor must warrant and agree in writing to abide by the terms of this paragraph, including, but not limited to, the nondisclosure provisions. Landlord and its auditor shall hold all information obtained during or as a result of or in connection with such audit in strict confidence, and the Landlord expressly acknowledges that such information is confidential and that the Tenant would suffer irreparable harm if, and to the extent that, such information

became public or otherwise disclosed to unrelated third parties or except as hereinafter provided. Landlord's right to audit Tenant's books and records shall be limited to those books and records necessary to establish Tenant's amount of Rent collected and the amount of Tenant's Net Cash Flow and to confirm that expenditures affecting the latter are reasonable and proper. Landlord shall exercise such right, not more often than once with respect to any Lease Year, or calendar year. As referenced above, Landlord recognizes the confidential nature of such information and agrees to keep said information in strict confidence and will not provide information related to Tenant's business activities, excepting administration employees of the Landlord and its attorneys, accountants, or other financial or real estate consultants without the express written permission of Tenant (unless otherwise required or provided by law).

C. **Late Charges**. In the event that Tenant shall fail to pay any installment of Rent within ten (10) days following the due date, then, in that event, Landlord shall, in addition to any other rights and remedies available to it hereunder, be entitled to receive and Tenant shall be obligated to pay to Landlord a late charge equal to five cents (\$.05) on each dollar so due as consideration to Landlord for Landlord's administrative expenses incurred as a result of such failure by Tenant to make timely payments.

D. **Accord and Satisfaction**. No payment by Tenant or receipt by Landlord of any lesser amount than the amount stipulated to be paid hereunder shall be deemed other than on account of the earliest stipulated rental or other sum payable by Tenant to Landlord hereunder; nor shall any endorsement or statement on any check or letter be deemed an accord and satisfaction, and Landlord may accept any check or payment without prejudice to Landlord's rights to recover the balance due and/or to pursue any other remedy available to Landlord.

6. **REAL ESTATE TAXES, ETC.** The Landlord and Tenant acknowledge and confirm that the Premise is currently tax exempt and not taxed for real estate tax purposes or chargeable for other similar taxes, costs and/or fees as a result of Landlord's ownership of the Premises. To the extent that any portion of the Premises, as a result of Tenant's rights and use of the Premises under this Lease, or any Phase or portion thereof, results in the Premises or any Phase or portion thereof to be subject to same, then Tenant agrees to pay or cause to be paid, before any fine, penalty, interest or cost is added thereto for the nonpayment thereof, all taxes and assessments, general and special, water rates, storm water utility fees, public safety charges and all other impositions, ordinary and extraordinary, of every kind and nature whatsoever (all of which are hereinafter referred to as "Impositions"), which may be levied, assessed, or imposed upon the Premises or its improvements or both, or any part thereof, accruing or becoming due and payable during the Lease Term. In this respect, however, Landlord agrees to mutually assist and cooperate with Tenant to have as little of the Premises (except those Phases or portions fully possessed and used by the Tenant for the uses and purposes herein set forth) subject to such real estate taxes. To the extent that the latter would require the Premises to be subdivided with respect to each applicable Phase, then, at the written request of the Tenant, the Landlord agrees to mutually assist and cooperate (and join with the Tenant with the filing and pursuit) of any and all procedures to accomplish same; provided, however, that any expenses in connection therewith (e.g. survey platting, filing fees, etc.) shall be at the expense of the Tenant.

Tenant shall have the right to contest by appropriate legal proceedings the amount or validity of any Impositions which Tenant considers to be improper, but this shall not be construed in any way as modifying Tenant's covenant to pay such Impositions at the time and in the manner set forth in this Section, unless Tenant shall deposit with Landlord an amount, with such

subsequent additions thereto as may be necessary, sufficient to pay such Impositions, together with all estimated interest and penalties in connection therewith, and all charges that may be assessed in said legal proceedings against, or may become a charge on, the Premises, the improvements thereon or any part thereof. Landlord agrees to cooperate reasonably with Tenant (and not oppose) in any such contest, but without expense to Landlord. Provided Tenant is not in default under this Lease, Tenant shall be entitled to any refund of any Impositions and penalties or interest thereon which have been paid by or on behalf of Tenant and which relate to the Premises or improvements or which may have been paid by Landlord and for which Landlord has been fully reimbursed.

7. INSURANCE.

A. Tenant Insurance. Commencing with those dates set forth above (see Section 3.C above), Tenant shall procure and maintain property insurance with endorsements for Insurance Services Office "Special Form" perils covering any Building upon the Premises (except for those Buildings which, and during, the retained possession thereof by Landlord) and all other improvements on the Premises for their full replacement value and together with rent loss coverage.

Tenant shall also maintain Commercial General Liability Insurance (CGL) (Insurance Services Office Form CG 00 01) covering CGL on an "occurrence" basis, including products and completed operations, property damage, fire legal liability, bodily injury and personal & advertising injury. For Phase 1, Tenant shall maintain a limit not less than Two Million Dollars (\$2,000,000) per occurrence. This shall increase to a limit not less than Four Million Dollars (\$4,000,000) per occurrence upon commencement of subsequent Phases. If a general aggregate limit applies, either the general aggregate limit shall apply separately to the Premises or the general aggregate limit shall be twice the required occurrence limit.

Tenant shall also maintain Worker's Compensation and Employer's Liability Insurance in accordance with the provisions of the Illinois Workers' Compensation Act (if applicable), and employer's liability insurance, with commercial umbrella and/or employer's liability with limits not less than One Million Dollars (\$1,000,000.00) per accident for bodily injury by accident or One Million Dollars (\$1,000,000.00) for each employee for bodily injury by disease. If Tenant or a tenant (i.e. sub-tenant) occupying any part of the Premises serves alcohol on or from the Premises or any part thereof, Tenant shall maintain, or caused to be maintained by any such tenant, Liquor Legal Liability Insurance in an amount not less than Three Million Dollars (\$3,000,000.00). Landlord shall be included as an additional insured on the Commercial General Liability and any Umbrella policies.

If Tenant maintains higher limits than the minimums shown above, the Landlord shall be entitled to coverage for the higher limits maintained. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available for coverage of the Landlord.

Landlord acknowledges and recognizes that Tenant shall lease to tenants (i.e. subtenants under this Lease) for various spaces in the Leasable Area of each Building to be developed/redeveloped upon the various Phases of the Premises. In this respect, as a part of providing for the leasing and occupancy to such other tenants, Tenant shall require and obtain the same coverages for such other tenants as are expected hereunder for and from the Tenant and which coverages for such other tenants shall meet the same requirements as specified hereunder (e.g. the Landlord as an additional insured). Certificates of insurance of such coverages of such other tenants shall be in similar form as provided by Tenant and approved by

Landlord in connection with the insurance being provided by Tenant; or, upon the reasonable request of Tenant to Landlord, Landlord shall provide to Tenant examples of certificates of such insurance as shall be acceptable to Landlord.

B. **Tenant's Policies.** The following shall also be required and applicable to any and all insurance to be provided by the Tenant.

i) **Additional Insured Status.** The Landlord, its officers, officials, employees, and volunteers are to be covered as additional insured on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of Tenant, including materials, part, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Tenant's insurance at least as broad as ISO Form CG 20 10.

ii) **Primary Coverage.** For any claims related to this Lease and/or arising out of activities associated with the possession or use of the Premises, Tenant's insurance coverage shall be primary insurance as respects the Landlord, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Landlord, its officers, officials, employees, or volunteers shall be excess of Tenant's insurance and shall not contribute with it for losses covered under this Section.

iii) **Notice of Cancellation.** Each insurance policy required by Tenant shall provide that coverage shall not be canceled, except with written notice to Landlord.

iv) **Waiver of Subrogation.** Tenant hereby grants to Landlord a waiver of any right to subrogation which any insurer may acquire against the Landlord by virtue of the payment of any loss under such insurance. Tenant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Landlord has received a waiver of subrogation endorsement from the insurer.

v) **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the Landlord.

vi) **Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions must be declared to and approved by the Landlord. At the option of the Landlord, either: Tenant shall obtain coverage to reduce or eliminate such deductibles or self-insured retentions as respects the Landlord, its officers, officials, employees, and volunteers; or Tenant shall provide a financial guarantee satisfactory to the Landlord guaranteeing payment of losses and related investigations, claim administration, and defense expenses. In the exercise of such option, Landlord agrees that it shall only act with reasonability and in such a manner as to make good faith reasonable determinations in connection therewith.

vii) **Verification of Coverage.** Tenant shall furnish the Landlord with original certificates and amendatory endorsements or copies of the applicable policy language providing the insurance coverage required above. All certificates and endorsements are to be received and approved by the Landlord before Tenant shall be entitled to possession of any portion of the Premises and before Tenant shall be entitled to any rights and uses of any Phase or portion of the Premises. However, failure to obtain the required documents prior thereto shall not waive Tenant's obligation to provide them. The Landlord reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

viii) **Changes in Insurance.** Landlord reserves the right to modify these requirements at any time, including (without limitation) limits, based upon a change in the nature of the risk, prior experience, coverage, or other warranting circumstances. In the exercise of such foregoing right, Landlord agrees that it shall only act with reasonability and in such a manner as to make good faith reasonable determinations in connection therewith.

The Landlord shall not be responsible for insuring or replacing Tenant's personal property located at or upon the Premises or any portion thereof.

C. **Landlord's Insurance; Self-Insurance Alternative.** Landlord shall maintain for the duration of the Lease Term insurance against claims for injuries to persons or damages to property which may arise from or in connection with Landlord's operation and use of the Premises or Landlord's activities upon the Premises from time to time. The cost of such insurance shall be borne by the Landlord.

In connection with the foregoing, Landlord shall maintain commercial general public liability coverage covering the Premises, in a combined single limit amount of not less than Four Million Dollars (\$4,000,000.00), and written on an "occurrence" basis.

Landlord shall also maintain such other insurance, and in such amounts, as required of Landlord by law.

Landlord shall furnish the Tenant, upon reasonable request, copies of certificates and amendatory endorsements providing the insurance coverage required above. Failure to obtain the required documents shall not waive Landlord's obligation to provide them.

Notwithstanding the foregoing, however, the Landlord, as permitted by law may elect to alternatively provide the equivalent of such insurance by and through a self-insured intergovernmental risk pool as provided under the Intergovernmental Cooperation Act and the Tort Immunity Act or similar self-insurance risk pool as may be permitted by law from time to time.

8. UTILITIES. Commencing with those dates set forth above (see Section 3.C above), Tenant shall pay all charges and bills for public utilities charged against the Premises for the duration of the Lease Term (except for those Buildings which, and during, the retained possession thereof by Landlord, for which the Landlord shall be obligated to pay all charges and bills in connection therewith). To the extent that any utility service is not currently provided to the Premises at locations or in capacities that are advisable or needed for any development / redevelopment of any Phase, the installation of any and all equipment, lines, piping, or appliances therefor shall be done by, and the obligation of, the Tenant. To the extent that any utility service is not separately metered between areas for which utility services are provided and shared by both Landlord and Tenant, the parties shall mutually and in good faith determine the respective percentage of use of same by each of the respective parties, and each shall pay their respective prorated share of the costs thereof when same become due and owing. As, and as a part of Tenant's development and/or redevelopment of the various Phases as contemplated hereby, the Tenant shall, at a minimum, provide for the separate metering of all utilities (for which metering is required and/or available) to each individual Building so developed/redeveloped so as to eliminate any sharing of utility services as may exist or have existed with Landlord prior to the development or redevelopment thereof. Landlord shall not be liable to Tenant in damages or otherwise for any failure experienced in connection with the

availability or furnishing of such utility services, and Tenant shall not be released or excused from performance of any of its obligations under this Lease, by reason of any such failure or by reason of any interruption or curtailment of any such utilities or utility services, and no such failure, interruption or curtailment shall constitute a constructive or partial eviction.

9. **TENANT CONSTRUCTION.** The Landlord and the Tenant mutually acknowledge that it is the intention and desire of each to have the Premises developed / redeveloped in a manner generally consistent with certain plans and vision statements heretofore presented by the Tenant to the Board of Trustees and administrative staff of the Landlord. Such plans and intentions of Tenant contemplate the development / redevelopment of the Premises to be pursued and completed by Tenant in four (4) Phases, each of which are depicted upon the attached **Exhibit C**, with the first Phase (contemplated to be upon Phase I of the Premises) anticipated to begin shortly after possession of the Premise is delivered to, and accepted by, the Tenant consistent with the provisions of Section 3 above. With respect to the development / redevelopment of the first Phase and each and every other Phase thereafter, the following shall apply:

A. **Landlord Plan Approval.** Prior to the commencement of construction upon any Phase, the Tenant shall submit to the Landlord preliminary schematic plans and specifications for the development / redevelopment of such Phase (the "Preliminary Plans") for Landlord's review and approval. The Preliminary Plans shall include a site plan which depicts the boundaries of the applicable Phase, the location of existing and proposed structures, all means of ingress and egress, all loading areas, parking areas, proposed signage, landscaping, lighting, and one or more elevations showing the exterior architectural appearance of the existing/proposed Buildings on the Phase (excepting where there is to be no change or modification to the exterior of an existing Building, in which case Landlord's review and approval thereof shall not be required), and other elements reasonably requested by the Landlord. The Landlord shall review the Preliminary Plans for the purpose of: i) preliminarily determining compliance with applicable law, compliance with the terms hereof, compliance with previously established policies and regulations of the Landlord, and general consistency with the previous representations and presentations of Tenant to Landlord; ii) preliminarily determining impacts upon adjoining properties of public areas or rights of way; and iii) providing guidance and suggestions (and possible assistance) to Tenant in connection with the anticipated completion of Final Plans for the proposed development. Landlord's approval of Preliminary Plans is not required for the Tenant to further proceed with the preparation of Final Plans, and Tenant shall have the option of initially presenting final/construction plans ("Final Plans") and by-pass this first step in Landlord's plan review process.

Whenever Final Plans are completed by Tenant, the Tenant shall submit same to Landlord for review and approval. The Landlord, as in the case of the Preliminary Plans, shall similarly (or initially, in the event that the Preliminary Plans were not submitted) review the Final Plans for the purpose of more specifically: i) determining compliance with applicable law, compliance with the terms hereof, compliance with previously established policies and regulations of the Landlord, and general consistency with the previous representations and presentations of Tenant to Landlord; ii) determining impacts upon adjoining properties of public areas or rights of way; and iii) providing guidance and suggestions (and possible assistance) to Tenant in connection with possible revisions for consideration for the Final Plans for the betterment of the proposed development. Landlord acknowledges that such plan review shall be general and conceptual in scope, with primary focus and concern upon exterior design and presentation as well as configuration of the project as opposed to interior layout of Leasable Areas or interior decorative appearance.

Written approval of the Final Plans shall be required before Tenant may commence construction upon and for a Phase. Landlord's approval shall not be unreasonably withheld, conditioned or delayed. In the event that all or any portion of such Final Plans is disapproved, the reasons for same shall be set forth in writing by Landlord to Tenant. If the Landlord does not approve or disapprove of said Final Plans within ten (10) business days after Tenant's submittal thereof to Landlord, such Final Plans shall be deemed to have been approved. If such Final Plans are disapproved, the Tenant shall, within ten (10) business days from the date of disapproval, resubmit revised plans, which the Landlord shall review and approve or disapprove within seven (7) business days. This process shall repeat until the Final Plans are approved by the Landlord. Landlord's approval of the Final Plans shall not be required for the Tenant to first submit such Final Plans to the City of Peoria and other governmental bodies for permits and approvals and/or to the general public to determine interest and obtain public comments/suggestions.

Once construction is commenced, any Material Changes in the Final Plans shall similarly require the written approval of the Landlord. Such approval of changes shall be with and by the same process required/required by Tenant in obtaining approval of the Final Plans therefor. For purposes of the foregoing, "Material Changes" shall be those: i) that are to the exterior of Building which noticeably and easily can be observed from a public right of way; ii) that involve a deviation in excess of Forty Thousand Dollars (\$40,000.00) of cost (more or less) from that of the last approved Final Plans; or iii) that entail the reconfiguration of accessways, driving lanes, parking lots and/or landscaped areas.

For purposes of any plan review and approval of Landlord, such review may be made and approval may be given for Final Plans on behalf of the Landlord (whether or not such review and approval involves a material deviation from the previous submittals of Tenant and whether or not such review and approval involves a Material Change described above with respect to any proposed addition or alteration to previously approved Final Plans) by the Executive Director from time to time of the Landlord or his or her designee unless such Executive Director, based upon previous policies and procedures of the Landlord (in such Executive Director's discretion) deems such review and approval one which should be made by the Board of Trustees of the Landlord.

B. Commencement of Construction. Tenant shall commence construction upon at least one Phase within two (2) years after the Effective Date. In the event that Tenant fails to do so, the Landlord shall have the option (but not the obligation) to terminate this Lease upon the giving of written notice of such termination to the Tenant. Such right of termination, however, shall no longer exist or apply if, after the expiration of such two (2) year period, the Tenant does commence construction upon a Phase prior to such time that Landlord provides notice of termination to Tenant. For purposes hereof, the term "commence construction" shall mean: i) demolition of an existing Building where such Building is to be replaced by another Building or by a permanent improvement (e.g. parking lot or public driveway entrance); or ii) interior demolition/relocation of walls and other similar interior improvements of an existing Building to be redeveloped.

After completion of the development / redevelopment of a Phase, Tenant shall commence construction of another Phase upon the Premises: i) no later than five (5) years after the completion of a previous Phase if Tenant has, within the period for satisfaction of the Initial Development Conditions, secured/confirmed the availability and applicability of the federal Historic Tax Credit Program (as described in Section 5.B above) for any Phase of the Premises; or ii) no later than four (4) years after the completion of a previous Phase, if Tenant has not,

within the period for satisfaction of the Initial Development Conditions, so secured/confirmed the availability and applicability of such Historic Tax Credit Program. In the event that Tenant fails to timely commence construction upon a subsequent Phase as required by the forgoing, Landlord shall have the option (but not the obligation) to terminate this Lease as to any and all remaining Phases that have not been developed / redeveloped upon the giving of written notice of such termination by Landlord to Tenant. Such right of termination, however, shall not apply to any and all Phases for which Tenant has completed construction thereupon, and this Lease shall continue as to, but only as to, such completed Phase(s) until expiration of this Lease or its earlier termination pursuant to the terms hereof. Such right of termination for the failure to meet the above deadlines for the commencement of construction for later Phases, however, shall no longer exist or apply if, after the expiration of the respective applicable period, the Tenant does commence construction upon another Phase prior to such time that Landlord provides notice of termination to Tenant.

C. **Completion of Construction.** Once construction is commenced upon and for a Phase, Tenant shall complete construction and commence the payment of Rent under the terms hereof in accordance with the following schedule (subject to acts of Force Majeure as later described herein):

		Number of Months Allowed Before Rent Commencement	
		Construction Completion	Tenant Fit-Up
Phase I	Building 1 & 2	9	1
Phase II	Buildings 3 & 4	13.5	1
Phase III	Buildings 5,6 & Pedestrian Mall	9	1
Phase IV	Buildings 8 & 9	9	1

D. **Personal Guaranty of Completion.** The parties acknowledge and recognize that the primary principal of the Tenant is Katie J. Kim, for whom the successful completion of the projects anticipated for the Premises can be beneficial. As an inducement to the Landlord to enter into this Lease, the said Katie J. Kim hereby (as long as she is living and legally competent) personally and individually guarantees that, once construction is commenced by the Tenant upon and for a Phase, the Tenant shall fully perform the required construction to complete such Phase in accordance with the approved Final Plans and as would be otherwise consistent with and pursuant to the terms hereof. For purposes of the foregoing (and only for those limited purposes), Katie J. Kim is jointly executing this Lease with the Tenant.

E. **Landlord Construction Services.** Tenant acknowledges that the Landlord has the ability to furnish and provide certain construction and maintenance work as is contemplated to be performed by Tenant in connection with the construction and ultimate operation/maintenance of the Phases as their development / redevelopment proceeds from time to time. Such work would consist of service and/or materials that would relate to, among other things: i) landscaping; ii) tree removal; iii) vine removal from existing buildings; iv) interior demolition work; and/or snow removal. Tenant shall keep Landlord apprised of the Tenant's needs from time to time in this regard as the development / redevelopment of the Phases proceeds; and, where possible (and at competitive pricing by Landlord with respect to pricing and costs of other third party vendor/contractors), Tenant shall retain and contract with Landlord for the providing of such construction and maintenance work.

F. **Representations Relating to Construction.** With respect to any and all construction work and activities to be done by Tenant under and pursuant to the terms of this Lease, the Tenant expressly warrants that all material incorporated into Tenant's work will be as

specified in the Final Plans and such work and activities will be completed in a workmanlike manner and free from all defects. Upon completion of any Phase and any Building or other improvements constructed and/or installed upon any Phase, the same will be habitable and fit for its intended uses and purposes, and, together with all equipment, appliances and fixtures installed therein, will be merchantable as that term is defined under the Uniform Commercial Code. Tenant's construction work and activities will be completed in compliance with all applicable zoning and building codes and any and all other applicable laws, regulations or restrictions. Tenant shall defend, indemnify and save and hold harmless Landlord, its officers, officials, employees, volunteers, contractors, and agents from and against any and all injuries, losses, claims, actions, damages, liabilities and expenses (including reasonable attorney's fees and costs) arising out of or resulting from the construction and activities of the Tenant, or any part, component or aspect thereof; provided, however, that Tenant shall not be obligated to indemnify Landlord, or such officers, officials, employees, volunteers, contractors, and agents, against liability arising from their negligent, intentional or willful acts.

G. **Unforeseen Conditions.** As referenced earlier in this Lease, Tenant confirms that it has fully inspected and become familiar with the condition of the Premises upon which the Tenant will complete its development / redevelopment of the Premises. Based upon the foregoing, if during construction work and activities of the Tenant, the Tenant, Tenant's general contractor(s) or subcontractor(s) encounter any unforeseen conditions, the cost of addressing and/or remediating such unforeseen conditions shall be borne by the Tenant and not the Landlord.

H. **Integration of Phases.** It is acknowledged by Tenant that the overall Premises is ultimately intended to be and provide an integrated / coordinated project with each of the Phases mutually sharing and reciprocally using the accessways and parking areas. Consistent with the foregoing, the Tenant shall, among other things in line with such objectives, design, develop / redevelop and operate each respective Phase so as to provide for such integration and coordination and so as to permit and provide for an interrelated network of shared and mutually dependent driving lanes and parking areas for each respective Phase as well as utility services and equipment with and for the earlier constructed Phases installed in such places and in such capacities to permit and provide for the later attachment of future Phases onto such earlier installed services and equipment.

I. **Phase V.** The Landlord acknowledges that it is the desire of the Tenant to additionally develop another Phase within the Premises (in addition to the currently contemplated four Phases as otherwise contemplated hereby). The boundaries and scope of any such fifth Phase is yet to be determined and would depend upon various factors yet to be known and/or determined. In this context, the Landlord agrees that, upon and after the Tenant has fully completed and has ongoing operation of all of Phases I, II, III and IV, the Landlord (by and through its staff/administration in coordination and consultation with Tenant) shall in good faith and best efforts review and consider the establishment of a Phase V: i) upon which the Tenant would develop an additional Building or Buildings and/or further improvements similar to the other then existing completed Phases; and ii) which would be configured out of one or more of the other then existing Phases and the boundaries of each adjusted accordingly at such time. Upon further and future approval of the Board of Trustees of Landlord (to which any addition and/or incorporation of such a Phase V is expressly subject and conditioned) the Landlord and Tenant shall enter into a Board approved amendment to this Lease which shall then and thereafter collectively constitute this Lease.

10. **SOLID WASTE AND TRASH REMOVAL.**

A. **Trash Removal.** Subject to the requirements of any governmental or quasi-governmental agency exercising jurisdiction over the disposal and/or collection of trash and/or solid waste), it is specifically understood and agreed that Tenant shall be required to arrange for and pay all costs, fees, expenses, assessments and other charges associated, either directly or indirectly, with the collection and/or disposal of all trash and/or solid waste generated or deemed to have been generated by Tenant's construction and/or operations at, or as part of the use of, the Premises.

C. **Freedom From Waste.** Tenant shall take good care of the Premises and keep the same free from waste at all times. Tenant shall keep the Premises and sidewalks, service ways and loading areas adjacent to the Premises neat, clean and free from dirt, rubbish, insects and pests at all times. Tenant shall not operate an incinerator or burn trash or garbage upon or within the Premises.

11. **TITLE TO IMPROVEMENTS; TAX CREDITS; ETC.** Until the expiration or sooner termination of this Lease, all buildings, structures, installations, alterations, additions, betterments and improvements upon the Premises as may be erected or made by Tenant (as opposed to those as may be currently existing upon the Premises which shall remain titled in the Landlord), including, without limitation in connection therewith, all Tenant installed pipes, ducts, conduits, wiring, paneling, partitions, railings, and the like shall be and remain the property of Tenant; and Tenant alone shall be entitled to deduct all depreciation on Tenant's income tax returns for any such Tenant installed buildings, structures, installations, alterations, additions, betterments and improvements upon the Premises. All buildings, structures, installations, alterations, additions, betterments and improvements upon the Premises as may be erected or made by Tenant, including, without limitation, all pipes, ducts, conduits, wiring, paneling, partitions, railings, and the like shall become the property of Landlord (and shall be surrendered in good working order and condition with the Premises as a part thereof) upon the expiration or sooner termination of the Lease Term of this Lease. Notwithstanding the foregoing, however, Tenant's personal property as may be upon the Premises upon the expiration or sooner termination of this Lease shall remain the property of Tenant and may be removed from the Premises at any time during the Lease Term, provided that any damage caused by such removal shall be repaired by Tenant. Any personal property not removed at the expiration of the Lease Term shall at the election of the Landlord become the property of Landlord upon Tenant's surrender of the Premises. Otherwise, Landlord may elect to require the removal of such personal property, in which case Tenant shall promptly remove the same and restore any damage caused by such removal. If Tenant fails to promptly remove the same, Landlord may remove and store such items at the expense of Tenant.

Unless otherwise specifically provided herein or by other subsequent agreement between the parties, to the extent that any tax credits, rebates, grants, incentives, interest deductions on borrowings by the Tenant, and depreciation and/or amortization deductions are allowed or provided for the any Phase of the Premises, the same shall be and belong to the Tenant.

12. **MECHANIC LIENS.** Landlord's interest and estate in the Premises shall not at any time be subject to any construction, mechanic's, equitable or other lien by, for, benefiting, or filed for the account of, any person, firm or entity for any work, labor, services or materials claimed to

have been performed or furnished for or on behalf of Tenant, its contractors, agents or employees or anyone having any interest in any part of the Premises through or under Tenant. Nothing contained in this Lease shall be deemed, construed or interpreted to imply any consent or agreement on the part of Landlord to subject Landlord's interest or estate to any liability under any construction, mechanic's or other lien law. If any construction, mechanic's or other lien is filed against the Premises or any part thereof for any work, labor, services or materials claimed to have been performed or furnished for or on behalf of Tenant, its contractors, agents or employees or anyone holding any part of the Premises through or under Tenant, Tenant shall cause same to be cancelled and discharged of record by payment, bond, title indemnity from the title company covering Landlord's title or order of a court of competent jurisdiction within sixty (60) days after Tenant receives notice confirming the recording of any such lien. Landlord shall have no power or authority to subject Tenant's interest in the Premises, the Tenant's Building, or Tenant's personal property to any construction, mechanic's, equitable or other lien. If Tenant fails to comply with its lien discharge obligations under this Section 12, the Landlord may, but is not obligated to, discharge the subject lien(s) and the reasonable costs and expenses incurred in connection therewith shall be due from the Tenant within ten (10) days of demand for payment accompanied by reasonable evidence of the cost and expenses incurred by Landlord to accomplish such discharge.

For purposes hereof, and to better assure unto the Landlord that any construction activities of the Tenant shall not result in the filing and/or pursuit of claims for mechanics lien against the Premises as a consequence of Tenant's construction activities, Tenant agrees that payouts for construction work or supplies shall only be done by and through a reputable title insurance company and only after the submission thereto of appropriate sworn statements, contractors affidavits, and lien waivers to demonstrate and evidence that no valid claims for mechanics lien claims through to the date of each such payout would apply to the Premises. At the request of Landlord, Tenant shall arrange for and provide to Landlord upon and for any title insurance policy of the Landlord covering Landlord's interest in the Premises satisfactory endorsements to insure Landlord against any loss by reason of the filing and pursuit of any and all mechanics liens through to (i.e. by "date down") the date of each last such payout of Tenant.

13. **ALTERATIONS.** Landlord acknowledges that the development / redevelopment of each respective Phase may entail or require the demolition of certain currently existing Buildings upon the Premises. Except for Building No. 1 on Phase I of the Premises, Landlord hereby recognizes and consents to the right of the Tenant to, upon delivery and acceptance by Tenant of possession of the Premises (except any portion thereof as may be retained by Landlord under the terms hereof) demolish any such existing Buildings pursuant to approved Final Plans therefor --- subject to those same requirements, conditions, and representations by Tenant as would be applicable under Section 9 for new construction. Once developed / redeveloped, Tenant shall have the right at any time, with respect to any completed Phase, to make such alterations, changes, or improvements in or to the interior of any Building(s) of the completed Phase as Tenant may deem necessary in the operation of the Premises; provided always, that no work done by Tenant shall materially and adversely affect the structural strength of any such Building(s) without the written approval of Landlord. However, Tenant shall not make any exterior or structural alterations to any developed / redeveloped Building upon any Phase, without Landlord's written consent, which consent shall not be unreasonably withheld, conditioned, or delayed, as long as said alterations or improvements will not materially diminish the value of the Phase and are, in general, architecturally harmonious with the remainder of the previously completed Phases of the Premises or the conceptual plans therefor as referenced earlier in this Lease. If Landlord's consent is required pursuant to this Section 13, Landlord

shall have ten (10) business days after receipt of Tenant's plans to notify Tenant in writing whether Landlord approves or disapproves said plans. If Landlord disapproves Tenant's plans, Landlord shall set forth with specificity and detail the objections it has to the same, and the changes that are needed to make such work acceptable to Landlord. If Landlord fails to respond within the required time, Landlord will be conclusively deemed to have approved Tenant's plans therefor. For purposes of any plan review of and approval by Landlord for any such alterations, changes, or improvements, such review may be made and approval may be given therefor on behalf of the Landlord (whether or not such review and approval involves a material deviation from any previous submittals of Tenant) by the Executive Director from time to time of the Landlord or his or her designee unless said approval is either a legal requirement for Landlord, or unless Tenant requests, or the Executive Director elects, to have such approval instead made by the Board of Trustees of the Landlord, in which case the request for approval shall thereafter be considered and determined as soon as reasonably possible by the Board of Trustees of the Landlord.

Any alterations made by Tenant to any Phase of the Premises which are permanently attached to and made a part thereof shall have the title thereto and any deductions and/or credits applicable thereto treated in the same fashion and subject to the provisions of Section 11.

14. **USE.** Lessee shall use the Premises (and any Phase as a part thereof) only for the above referenced Permitted Uses and incidental and accessory uses thereto as are currently uses that are permitted, or allowed with a special use, in a zoning classification of C-1 under the Zoning Code of the City of Peoria (a listing of which permitted and special uses is attached hereto as **Exhibit G**), and for no other purpose whatsoever unless approved in writing and in advance by Landlord.

A. **Prohibited Uses.** Notwithstanding the foregoing, however, the following uses (or uses similar thereto) shall not be permitted: i) adult uses, adult bookstores, adult clubs, or adult theaters; ii) pawn shops; iii) used car lots; iv) marijuana dispensaries; v) massage parlors; vi) cash/car-title stores/offices; vii) video poker or other gambling cafes (not to exclude video poker or other lawful gambling/gaming activities in restaurants with gross revenue of at least fifty percent (50%) from food/inside dining sales); political offices/activities; religious services/activities; smoke/vape shops; gasoline stations; automotive repair/service; and car washes.

B. **Restricted Uses.** For as long as the restaurant operation commonly known as "Cyd's" continues to operate (other than for temporary closures due to events such as remodeling, casualty repair, vacation periods, or seasonal weather extremes) upon adjoining property owned by Landlord, no lease or business operation shall be permitted upon the Premises (or any portion thereof) that would be a competitive use with Cyd's (such competitive use being a quaint bar/café and bakery serving primarily gourmet soups and sandwiches for both on-premises and off-premises consumption) provided, however, that the foregoing restriction shall not prohibit or restrict leasing to restaurants whose sales are not principally from gourmet sandwich and bakery items, such as sports bars, coffee shops or grocery/convenience stores which would be permitted.

15. **HAZARDOUS MATERIAL.** "Hazardous Material" shall mean (i) any waste, pollutant or contaminant which is or becomes regulated by the federal government or any state, local or other governmental authority (or any agency thereof) having jurisdiction over the Premises and

the operations conducted thereon; and (ii) any substance or material which is or becomes regulated by any governmental authority by reason of the hazardous or toxic qualities of such substance or material. Hazardous Material shall not include any de minimus amounts commercial cleaning products, any inventory of business operations of a tenant for any leased space in amounts which may be otherwise permitted by applicable law or regulation.

Tenant covenants and agrees that it shall not cause or permit (where Tenant has control) any Hazardous Material to be brought upon, kept, used, released or disposed of in or about the Premises, any Phase thereof, and any leased space thereon in violation of any applicable law relating thereto. In the event any Hazardous Materials are introduced by Tenant, its employees, agents, contractors, or tenants of Tenant (or any persons upon the Premises by the invitation, express or implied, of such tenants) in violation of this Section 15, Tenant shall promptly cause same to be removed and disposed of as provided by law at Tenant's expense. If, following receipt of a written demand from Landlord, Tenant fails to remove a Hazardous Material from the Premises arising from any of the foregoing or arising by/from the act or omission of any other third party or as a result of any other act or omission of others, Landlord may remove the Hazardous Material at Tenant's sole expense. Tenant shall make all notifications and shall obtain and maintain in full force all permits, licenses, registrations, or similar authorizations required under any environmental law for the operations or activities of Tenant, its employees, agents, contractors, or tenants of Tenant (or any persons upon the Premises by the invitation, express or implied, of such tenants) at the Premises. Tenant shall promptly give Landlord written notice of any suspected breach of this Section upon learning of the release or disposal of any Hazardous Material in, on, under or about the Premises, and upon receiving any notices or demands from governmental agencies or non-governmental third parties pertaining to Hazardous Material which may affect the Premises.

TENANT SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS LANDLORD AND ITS OFFICERS, OFFICIALS, EMPLOYEES, AGENTS, CONTRACTORS, AND VOLUNTEERS FROM ALL FINES, SUITS, PROCEDURES, CLAIMS, DEMANDS AND ACTIONS OF EVERY KIND, AND ALL COSTS ASSOCIATED THEREWITH (INCLUDING REASONABLE ATTORNEYS' FEES, COURT COSTS AND CONSULTANTS' FEES) THAT ARISE OUT OF A BREACH OF THIS SECTION 15 BY TENANT.

16. **COMPLIANCE WITH LAWS.** Tenant shall comply with any certificate of occupancy relating to the Premises (or any Phase or other portion thereof) and with all other laws, statutes, ordinances, orders, rules, regulations and requirements of all federal, state, county and municipal governments and the appropriate agencies, officers, departments, boards and commissions thereof and the board of fire underwriters and/or the fire insurance rating organization or similar organization performing the same or similar functions, whether now or hereafter in force applicable to the Premises, including, without limiting the generality of the foregoing, the Americans With Disabilities Act (and in this connection, Tenant shall be obligated to make or cause to be made any and all alterations and/or modifications within and/or about the Premises as shall, at any time, be required pursuant to the provisions thereof and/or of the regulations promulgated thereunder), and all federal, state, municipal and/or administrative laws, statutes, ordinances, orders, rules, regulations and requirements governing and/or relating to the monitoring, usage, handling, storage and/or disposal of Hazardous Material.

17. **REPAIRS AND MAINTENANCE.** Except as otherwise specifically set forth herein as an obligation of the Landlord or others, Tenant, at Tenant's sole cost and expense, and in a manner consistent with the standards of other comparable projects of development /

redevelopment for located in the general vicinity of the Premises shall make all repairs and replacements to, and shall keep in good order, repair and condition, all Buildings and other improvements situated from time to time upon or within all Phases and parts of the Premises for which the Tenant is entitled to possession under Section 3.B hereinabove. In this context, Tenant shall (with respect to such latter portions of the Premises) be responsible for all repairs, maintenance and replacements of all plumbing, heating, air conditioning, electrical and mechanical systems serving the Premises or located in, under or above the Premises and all roofs, walls, foundations and other structural components contained within and/or comprising those Buildings and any other improvements now or hereafter located from time to time upon the Premises. It is understood and agreed that Landlord shall not have any responsibility relating to the repair, maintenance, or replacement of any item within the Premises or any Phase or other portion thereof except for those portions of the Premises for which (and during the time for which) Landlord is entitled to retain possession thereof under Section 3.B, or where such repair, maintenance, or replacement is required or caused as a result of the direct or indirect action of the Landlord..

18. **CASUALTY.** If any Buildings or other improvement(s) now existing or hereafter constructed on the Premises shall at any time be damaged by fire or other cause, Tenant shall, except for any existing Building that had been planned or scheduled for demolition pursuant to the Final Plans of development / redevelopment thereof or pursuant to the plans and vision statements heretofore presented by the Tenant to the Board of Trustees and administrative staff of the Landlord, be obligated to repair and restore the same at least to that condition which existed immediately prior to such damage; provided, however, that if, within the last ten (10) years, the Lease Term is not extended pursuant to Tenant's request as set forth in Paragraph 2(E) above or within the last five (5) years if the initial Lease Term is extended pursuant to Tenant's request as specified in paragraph 2(E) above, any such Building(s) or other improvement(s) now or hereafter constructed on the Premises are destroyed or damaged, then, in such event, Tenant may terminate this Lease as that Phase or portion(s) of the Building(s) so destroyed or damaged (by written notice to the Landlord given no later than ninety [90] days after the event of destruction or damage) and except for removal of debris, etc., and placing the damaged or destroyed portions of the Premises in a safe condition in compliance with applicable laws, codes and ordinances, Tenant shall have no further obligation under this Lease except for those Phases and/or portion(s) of the Premises for which any such termination of this Lease would not have applied. Except as otherwise provided for herein, Tenant acknowledges and agrees that there shall be no abatement of Rent (either in whole or in part) in the event that any Building(s) or other improvement(s) now or hereafter constructed on the Premises shall at any time be damaged by fire or other cause, except for that Phase or portion(s) of the Premises for which any termination may have taken place pursuant to the terms above.

19. **CONDEMNATION.**

A. **Total Condemnation.** If, during the Lease Term or any extension or renewal thereof, all of the Premises should be taken for any public or quasi-public use under any law, ordinance, or regulation or by right of eminent domain, or should be sold to a condemning authority under threat of condemnation, this Lease shall terminate and the Rent shall be abated during the unexpired portion of this Lease, effective as of the date of the taking of the Premises by the condemning authority.

B. **Partial Condemnation.** If, during the Lease Term or any extension or renewal thereof, less than all of the Premises shall be taken for any public or quasi-public use

under any law, ordinance, or regulations, or by right of eminent domain, or should be sold to a condemning authority under threat of condemnation, such that no remaining portion of the Premises can reasonably be used as intended hereby, Tenant shall have the option to terminate this Lease upon notice of same to the Landlord. Otherwise, the Tenant shall, at its sole expense, restore and reconstruct the Building(s) and other improvement(s) so affected by such action of condemnation, provided such restoration and reconstruction shall (as best as reasonably possible) make the same tenantable and suitable for the uses and purposes for which the Premises are hereby leased. Landlord agrees that any condemnation proceeds received by Landlord attributable to any Building(s) or other improvement(s) on the Premises shall be made available for said reconstruction. The Rent payable hereunder during the unexpired portion of this Lease shall be adjusted equitably.

C. **Condemnation Award.** Landlord and Tenant shall each be entitled to receive and retain such separate awards and portions of lump-sum awards as may be allocated to their respective interests in any condemnation proceedings. The termination of this Lease shall not affect the rights of the respective parties to such awards. Tenant shall be entitled to any portion of the award relating to and separately awarded to Tenant or the tenants of Tenant for the loss of rents, business opportunities or moving expenses.

20. **INDEMNIFICATION.** Tenant shall defend, indemnify and save harmless Landlord and its officers, officials, employees, agents, contractors, and volunteers from all claims, costs, damages, judgments, expenses, fines, liabilities and losses (including reasonable attorneys' fees, paralegal fees, expert witness fees, consultant fees, and other costs of defense) arising from or as a result of any accident, injury, including death, loss or damage of any kind whatsoever caused to any person or to the property of any person as shall occur on the Premises upon and after (and with respect to) any and all Phases and portions of the Premises for which Tenant is entitled to possession thereof under Section 3.B above, and during the Lease Term caused by the negligence or misconduct of Tenant, its agents, employees or contractors. The indemnities provided herein are ones of first defense and payment, not of reimbursement or surety and shall in no way be limited by or to the amount of insurance carried, or required to be carried, by Tenant. The obligations of this Subsection 20 shall survive expiration or earlier termination of this Lease. Consistent with the terms otherwise herein contained relating to the waiver of Landlord's rights of subrogation, the forgoing shall not require indemnification by Tenant where the Landlord has, and to the extent that Landlord has, insurance coverage in place to sufficiently compensate, and which in fact compensates, for any such claim, cost, loss, damage or fees (including reasonable attorneys' fees); provided, however, that nothing contained in the foregoing shall abrogate, modify or supersede the provisions contained herein with respect to which party's insurance coverage therefor shall be primary and which party's insurance coverage shall be secondary.

21. **LEASEHOLD MORTGAGE.**

A. **Right of Tenant to Grant Leasehold Mortgage.** Tenant shall have the right to mortgage or grant a security interest in Tenant's interest in this Lease and the Premises under one or more leasehold mortgages to or more lenders upon the condition that all rights acquired under such leasehold mortgages shall be subject to each and all of the covenants, conditions and restrictions set forth in this Lease and to all rights and interests of Landlord herein, none of which covenants, conditions, restrictions, rights or interests is or shall be waived

by Landlord by reason of the right given to mortgage or grant a security interest in Tenant's interest in this Lease and the Premises.

B. **Definitions.** Any mortgage made pursuant to this Section 20 is herein referred to as a "Permitted Leasehold Mortgage," and the holder of or secured party under a Permitted Leasehold Mortgage is herein referred to as a "Permitted Leasehold Mortgagee". The Permitted Leasehold Mortgage that is prior in lien among those in effect is herein referred to as the "First Permitted Leasehold Mortgage," and the holder of or secured party under the First Permitted Leasehold Mortgage is herein referred to as the "First Permitted Leasehold Mortgagee". If a First Permitted Leasehold Mortgage and a Permitted Leasehold Mortgage that is second in priority in lien among those in effect are both held by the same Permitted Leasehold Mortgagee, the said two Permitted Leasehold Mortgages are herein collectively referred to as the "First Permitted Leasehold Mortgage". A Permitted Leasehold Mortgage shall include the applicable security instruments entered into in connection with such transaction, such as, without limitation, mortgages, deeds of trust, mortgage deeds, security deeds and conditional deeds, as well as financing statements, security agreements and other documentation which the lender may require.

C. **Rights of Leasehold Mortgagee.** If a Permitted Leasehold Mortgagee shall send to Landlord a true copy of its leasehold mortgage, together with written notice specifying the name and address of such Permitted Leasehold Mortgagee, then so long as such Permitted Leasehold Mortgagee shall remain unsatisfied of record or until written notice of satisfaction is given by the holder to Landlord, the following provisions shall apply (in respect of such Permitted Leasehold Mortgage):

i.) Without the prior written consent of the Permitted Leasehold Mortgagee, Landlord and Tenant shall not enter into any material amendment, modification or supplement to this Lease.

ii.) Landlord shall, upon sending Tenant any written notice to Tenant of a material nature, simultaneously send a copy of such notice to the Permitted Leasehold Mortgagee.

iii.) In the event of any default by Tenant under this Lease, the Permitted Leasehold Mortgagee shall have the same period, after service of notice upon it of such default, to cure or cause to be cured or commence to cure and complete the cure of such default as Tenant has hereunder for such default, and Landlord shall accept such performance by or at the instigation of the Permitted Leasehold Mortgagee as if the same had been performed by Tenant. Each notice of default given by Landlord will state the amounts of whatever rent and other payments herein provided for are then claimed to be in default.

iv.) The name of the Permitted Leasehold Mortgagee shall be added to the loss payable endorsement of any casualty insurance policies to be carried by Tenant in respect of the Premises, and all such policies shall state that the insurance proceeds are to be paid to First Permitted Leasehold Mortgagee to be held for the benefit of the parties hereto and applied in the manner specified in this Lease.

v.) If there is a condemnation or eminent domain in respect of the Premises which does not result in a termination of this Lease, any award of payment therein shall be paid to the First Permitted Leasehold Mortgagee for the benefit of the parties hereto and applied in the manner specified in this Lease; and if the same results in a termination of this

Lease, Tenant's portion of the award or payment (if any) shall be paid to the First Permitted Leasehold Mortgagee for the benefit of Tenant and the Permitted Leasehold Mortgagees.

vi.) No fire or casualty loss claims shall be settled and no agreement will be made in respect of any award or payment in condemnation or eminent domain without in each case the prior written consent of the First Permitted Leasehold Mortgagee.

vii.) Except where the Permitted Leasehold Mortgagee has become the tenant hereunder, no liability for the payment of rent or the performance of any of Tenant's covenants and agreements hereunder shall attach to or be imposed upon the Permitted Leasehold Mortgagee (other than any obligations assumed by the Permitted Leasehold Mortgagee), all such liability (other than any obligations assumed by the Permitted Leasehold Mortgagee) being hereby expressly waived by Landlord.

D. **New Lease With Leasehold Mortgagee.** In the event of termination of this Lease by reason of any uncured default by Tenant, Landlord will promptly notify each Permitted Leasehold Mortgagee of such termination and the amount of any sums then due to Landlord under this Lease, and the Permitted Leasehold Mortgagee shall have the right to have Landlord enter into a new lease of the Premises with the Permitted Leasehold Mortgagee or a nominee controlled by such Permitted Leasehold Mortgagee (hereinafter referred to in this subparagraph as its "nominee") in accordance with the following provisions:

i.) The Permitted Leasehold Mortgagee or its nominee shall be entitled to such new lease if the Permitted Leasehold Mortgagee shall make written request upon Landlord for such new lease on or before the date which is thirty (30) days after the date on which the Permitted Leasehold Mortgagee shall have received the notice from Landlord of such termination and if such written request is accompanied by the Permitted Leasehold Mortgagee's agreement to pay to Landlord, upon the execution and delivery of the new lease, the sums which would then be due to Landlord under this Lease had this Lease remained in effect.

ii.) Such new lease shall be for what would have been the remainder of the Term hereunder if this Lease had not terminated, effective as of the date of such termination, at the rent and upon the terms, provisions, covenants, and agreements as herein contained, including all rights and options herein contained.

iii.) In such new lease, the Permitted Leasehold Mortgagee or its nominee shall agree to perform and observe all covenants herein contained on Tenant's part to be performed.

iv.) Landlord shall not warrant possession of the Premises to the Permitted Leasehold Mortgagee or its nominee under the new lease, it being understood that the new lease shall be expressly made subject to the rights, if any, of Tenant under this Lease or any other person claiming the right to possession through or under said Tenant.

v.) The Permitted Leasehold Mortgagee or its nominee as tenant under the new lease shall have the same right, title and interest in and to the Premises as Tenant had under this Lease.

vi.) If more than one Permitted Leasehold Mortgagee shall make written request upon Landlord in accordance with the provisions hereof for a new lease, the new

lease shall be delivered pursuant to the request of the Permitted Leasehold Mortgagee whose leasehold mortgage is prior in lien among those who made the request, and the written request of any Permitted Leasehold Mortgagee whose leasehold mortgage is subordinate in lien shall be void and of no force or effect.

E. **Additional Instrument.** Landlord shall, upon request, execute, acknowledge and deliver to each Permitted Leasehold Mortgagee an agreement prepared at the sole cost and expense of Tenant, in form satisfactory to the Permitted Leasehold Mortgagee and Landlord, among Landlord, Tenant and the Permitted Leasehold Mortgagee, agreeing to all the provisions of this Section.

F. **No Subordination of Fee Interest.** Landlord shall at no time be required to subordinate its fee simple interest in the Premises to the lien of any leasehold mortgage or other encumbrance, nor to mortgage its fee simple interest in the Premises as collateral or additional security for any leasehold mortgage or otherwise. All liabilities and obligations relating to any financing of construction by Tenant shall be the sole responsibility of Tenant.

G. **Transfers or Assignment by Permitted Leasehold Mortgagee.** If a Permitted Leasehold Mortgagee acquires Tenant's interest in this Lease (through a foreclosure proceeding or otherwise) or enters into a new lease with the Landlord pursuant to the terms above, the Permitted Leasehold Mortgagee shall not transfer or assign its interest in the Lease or new lease (or any portion thereof) without securing Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, and without otherwise complying with the terms and conditions of Section 23 hereof. Subject to the approval requirements of all governmental authorities, such Permitted Leasehold Mortgagee will make all reasonable efforts to transfer or assign its interest in the Lease or new lease within six (6) months of the date that it acquires such interest.

H. **Conflicts Between Permitted Mortgagees.** If more than one Permitted Leasehold Mortgagee desires to exercise a Permitted Leasehold Mortgagee's cure rights or the right to obtain a new lease, or if more than one Permitted Leasehold Mortgagee desires to exercise any other right or privilege provided for Permitted Leasehold Mortgagees under this Lease, then the Landlord or other party against whom such rights or privileges are to be exercised shall be required to recognize either: a) only the Permitted Leasehold Mortgagee that desires to exercise such right or privilege and whose Permitted Leasehold Mortgage is most senior in lien (as against other Permitted Leasehold Mortgages), or b) such other Permitted Leasehold Mortgagee, as has been designated in writing by all Permitted Leasehold Mortgagees to exercise such right or privilege. Priority of Permitted Mortgages shall be conclusively evidenced either by a) the report or certificate of a title insurance company licensed to do business in the State of Illinois, or b) joint written instructions of all Permitted Leasehold Mortgagees.

22. **ESTOPPEL CERTIFICATES.** Each of the parties hereto shall, at any time and from time to time, within thirty (30) days following written request for same by the other party, execute, acknowledge and deliver to the party who gave such request a statement in writing certifying that this Lease is unmodified and in full force and effect, or if there shall have been any modification(s) that the same is in full force and effect as modified and stating the modification(s), and the date to which the Rent and any other payments required to be paid by Tenant hereunder have been paid in advance and stating whether or not, to the best of the

knowledge of the signor of such certificate, the other party is in default hereunder and, if so, specifying each such default, and such other commercially reasonable matters as may be required by the requesting party.

23. **TENANT REPRESENTATIONS, COVENANTS AND RESTRICTIONS.**

A. **Development of Project; Relationship With Landlord.** The Tenant agrees to comply with the terms and conditions of this Lease, and (subject to and after satisfaction of the Initial Development Conditions) to construct and operate the development / redevelopment as contemplated hereby and as previously described to the Landlord and its representatives subject to the terms, covenants, building and use restrictions, and other conditions in this Lease. Based upon the fact that the investment return for, and Rent payable to, the Landlord is dependent upon the completion and profitable operation of the project contemplated, Tenant warrants and represents that, as Phases upon the Premises are completed, Tenant shall open and operate such Phases for the uses and purposes herein described to their maximum reasonable profit realization. Tenant acknowledges and confirms that, in this context the Tenant occupies a special position, and owes special obligations to Landlord in connection therewith. In that regard, Tenant and its manager(s), agents, and employees warrant and assure unto the Landlord that for all items which are within Tenant's control:

- i) Tenant shall, in its activities relating hereto, exercise a duty of due care, and a duty of loyalty, so as to all times act without personal economic conflict or legal conflict of interest with respect to Tenant's actions and conduct as they relate to the promotion for Landlord of the economic success of the operations of and upon the Premises;
- ii) Tenant shall at all times act in good faith and with due diligence in its conduct with Landlord and in Tenant's efforts for the economic success of the operations of and upon the Premises;
- iii) Tenant shall be under a duty of confidentiality of and for matters hereunder and for the Landlord, and shall not disclose confidential information of the Landlord for the Tenant's own benefit unless required by law or unless to Tenant's consultants, attorneys, accountants, lenders, and others who have a reasonable need to know for in order to properly promote and provide for the success of the Tenant and its business operations;
- iv) Tenant shall have a duty of prudence and shall only act consistent with the so-called "Prudent Man Rule";
- v) Tenant shall act at all times in its dealings with Landlord with complete candor and honesty and fully disclose all facts and circumstances as may reasonably bear upon the success of the Tenant and of the Landlord with respect to the Landlord's interest in the Premises and the Landlord's interest in the financial success of the Tenant; and
- vi) Tenant shall at all times act lawfully with respect to its business operations and with respect to its duties and relationships with Landlord.

Notwithstanding the foregoing, however, the parties confirm that nothing contained herein shall be construed to establish: i) a relationship as a partnership or joint venture between Landlord and Tenant; ii) establish Tenant as an agent of Landlord; or iii) require either to owe any obligation to disclose and provide any right of participation in other projects or ventures of the other or in any other so-called financial or "corporate opportunity". Landlord acknowledges, on the other hand, that Landlord may in the future pursue various development alternatives upon adjoining property known as Donovan Park. In this regard, in the process of consideration of any proposals of and from third parties therefor, Landlord shall consider as an important meritorious factor the proper and successful performance by Tenant of the terms of this Lease.

B. **Prohibition On Transfer Prior To Completion Of Construction.** Upon commencement of construction upon any Phase of the Premises by the Tenant, and during the period of any such construction upon any Phase, the Tenant shall not transfer, or assign all or any portion of its interest therein or in this Lease without the prior written approval of the Landlord, whose approval in this context shall be in the absolute discretion of Landlord and may be withheld for any reason whatsoever.

C. **Prohibition On Transfer After Completion of Construction.** After the completion and opening for the uses and purposes hereof of a Phase and before the commencement of construction upon any other Phase as may be available and planned for development / redevelopment, the Tenant shall not transfer, or assign all or any portion of its interest in this Lease without the prior written approval of the Landlord, whose approval in this context shall not be unreasonably withheld, conditioned, or delayed; and no such transfer or assignment shall be proper and permitted unless and until the proposed transferee shall assume, in a writing reasonably satisfactory to Landlord, all obligations of the Tenant with respect to this Lease. For purposes of the foregoing, Landlord's refusal of approval shall be considered reasonable if the proposed transferee is not of a net worth or business reputation equal to or better than that of the Tenant. Upon the occurrence of any such approved transfer or assignment by Tenant, the Tenant shall not be released from its obligations under this Lease unless the Landlord has expressly in writing also given and provided a release thereof.

D. **Prohibition On Transfer of Control.** The parties recognize that the control of the Tenant is anticipated to be in and held by Katie J. Kim, as manager of the Tenant. The transfer of such management responsibilities and/or control of and by Katie J. Kim (except for testamentary transfers) shall be considered a transfer to which the foregoing requirements of approval of the Landlord shall apply in the specific context to which such provisions apply (i.e. either before or after the completion of construction of any Phase of the Premises). Similarly, an indirect transfer or assignment of control or ownership of the Tenant (e.g. by and through a transfer of the majority of ownership interest in the Tenant) shall constitute and be considered a transfer to which the foregoing requirements of the approval of the Landlord shall accordingly apply.

E. **Organization.** The Tenant consists of an Illinois Limited Liability Company duly organized and existing under the laws of the State of Illinois, and has been duly qualified to transact business in Illinois. The Tenant warrants and represents that at all times material hereto, the Tenant shall be and remain a limited liability company in good standing with the State of Illinois.

F. **Authorization.** The Tenant has power to enter into, and by proper action has been duly authorized to execute, deliver, and perform, this Lease.

G. **Non-Conflict or Breach.** Neither the execution and delivery of this Lease, the consummation of the development / redevelopment of the Premises contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Lease, conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction, agreement or instrument to which the Tenant is now a party or by which the Tenant otherwise is bound.

H. **Pending Lawsuits.** There are no lawsuits either pending or threatened that would affect the ability of the Tenant or Katie A. Kim to proceed with the performance of any and all obligations set forth in this Lease.

I. **Non-Discrimination.** The Tenant shall not discriminate in violation of any applicable federal, state or local laws or regulations upon the basis of race, color, religion, sex, or national origin or other applicable factors as may be applicable from time to time under law in the leasing or use or occupancy of the Premises or any Phase or part thereof.

J. **Prevailing Wage.** Tenant agrees that Tenant and any of Tenant's contractors or vendors shall pay the Prevailing Wage on and for the development / redevelopment of and upon the Premises, and provide to Landlord from time to time appropriate payroll certifications to evidence same; all in accordance with the Illinois Prevailing Wage Act, 820 ILCS 130/01 *et. seq.* as the same applies to contracts of Tenant with its contractors and vendors.

24. **LANDLORD REPRESENTATIONS, COVENANTS, AND RESTRICTIONS.**

A. **Organization.** The Landlord is a Park District duly organized and existing under the laws of the State of Illinois, and has been duly qualified to transact business in Illinois as a Park District. The Landlord warrants and represents that at all times material hereto, the Landlord shall be and remain a Park District good standing with the State of Illinois.

B. **Authorization.** The Landlord has power to enter into, and by proper action has been duly authorized to execute, deliver, and perform this Lease.

C. **Non-Conflict or Breach.** Neither the execution and delivery of this Lease, nor the fulfillment of or compliance with the terms and conditions of this Lease by the Landlord, conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction, agreement or instrument to which the Landlord is now a party or by which the Landlord otherwise is bound.

D. **Pending Lawsuits.** There are no lawsuits either pending or threatened that would affect the ability of the Landlord to proceed with the performance of any and all obligations of the Landlord set forth in this Lease.

25. **DEFAULT / REMEDIES.**

A. **Default By Landlord.** Except as otherwise provided in this Lease, if Landlord shall be in default in the performance of any obligation under this Lease, which default is

continuing thirty (30) days after Tenant gives Landlord written notice of such default (provided, however: (i) if such default cannot reasonably be expected to be able to be cured with such thirty (30) day period, then such default shall mean one for which the cure thereof has not been commenced within such thirty (30) day period or [if so timely commenced] is not pursued to a cure thereafter with reasonable diligence and in good faith); Tenant may, but shall have no obligation to: (i) cure the default, in which case Landlord shall pay to Tenant upon demand the cost thereof within ten (10) days; or (ii) pursue its legal and equitable remedies to collect damages arising therefrom. Except when in Tenant's reasonable judgment an emergency shall exist, Tenant shall not commence to cure any default of a nature that could not reasonably be cured within a period of thirty (30) days provided Landlord shall have commenced to cure the default within the cure period and so long as Landlord proceeds with reasonable diligence and in good faith to cure the default.

B. **Default By Tenant.** If Tenant defaults in the performance of any obligation under this Lease, Landlord shall give notice to Tenant specifying the nature of the default.

(i) **Non-Monetary Defaults.** If Tenant does not, within thirty (30) days after receipt of the notice, cure the default, or, if the default is of a nature that it cannot reasonably be cured within a period of thirty (30) days, and Tenant does not commence the cure within the thirty (30) day period and proceed thereafter with reasonable diligence and in good faith to cure the default, then after the expiration of the thirty (30) day period Landlord shall have the right to pursue its legal and equitable remedies.

(ii) **Monetary Defaults.** If Tenant does not, within fifteen (15) days after receipt of the notice, cure a default in the payment of Rent or other charges properly due to Landlord, then Landlord shall have the right to pursue its legal and equitable remedies. Landlord shall use commercially reasonable efforts to mitigate any damages

26. **QUIET ENJOYMENT.** Landlord covenants that Tenant, on paying the Rent under the terms hereof and performing Tenant's obligation under this Lease, shall peacefully and quietly have, hold, use and enjoy the Premises for the Lease Term, without hindrance, ejection or molestation by any person lawfully claiming under Landlord, subject to the terms and provisions of this Lease.

27. **NOTICES.** Wherever in this Lease it shall be required or permitted that notice or demand be given or served by either party to this Lease to or on the other, such notice or demand shall not be deemed to have been duly given or served unless made in writing and either i) personally delivered; or ii) forwarded by Certified Mail, Return Receipt Requested, postage prepaid; or iii) sent by nationally-recognized overnight courier service for personal delivery to the address for each party provided in the Basic Terms of this Lease. Such addresses may be changed from time to time by either party by serving notices as above provided. While Tenant is in possession of the Premises, notices to the Tenant may also be delivered or forwarded by Certified Mail to the Premises. Notice shall be deemed given when delivered (or upon refusal of acceptance of delivery), if given by personal delivery, otherwise one (1) business day following delivery to a nationally-recognized overnight courier service, or three (3) business days following deposit in the United States mail.

28. **END OF TERM.** At the expiration or sooner termination of the Term, Tenant shall quit and surrender to Landlord the Premises, in good order and condition, ordinary wear and tear and acts of God excepted. At such expiration or sooner termination, Tenant may, but shall not be obligated to remove all of Tenant's personal property (or the personal property of others whose possession of the Premises or any part thereof would have arisen by and through the Tenant (e.g. other tenants with leases with the Tenant), and if Tenant or such others choose to remove the same, Tenant or such others (as may be the applicable case depending upon who is removing same) shall repair all material damage to the Premises caused by such removal. Except for such removable personal property of Tenant or such others, Tenant acknowledges and confirms that the Building(s) and all other improvements as may be upon the Premises (whether existing at the commencement of this Lease or as developed or redeveloped by Tenant as contemplated by the terms of this Lease) shall at the end of the Lease Term be the property of the Landlord free and clear of any claims or encumbrances arising by or through any act or omission of the Tenant or such others whose rights and possession would have arisen by and through the Tenant.

29. **HOLDOVER.** In the event Tenant, or any party under Tenant, continues to occupy the Premises after the expiration of the Term, and Landlord elects to accept Rent thereafter, a tenancy from month-to-month only shall be created. Tenant shall reimburse Landlord for, and indemnify, defend and hold Landlord harmless against, any and all damages incurred by Landlord as a result of any non-consented delay by Tenant in vacating the Premises upon the expiration or earlier termination of the Lease. Rent during any holdover period shall be increased to an amount which is One Hundred Twenty-Five percent (125%) of the Rent in effect on the expiration or termination of the Lease. This Section 29 shall not be construed as Landlord's consent for Tenant to holdover or extend the Lease except pursuant to an option to renew or extend.

30. **PERSONAL PROPERTY TAXES.** Tenant shall pay, before delinquency, or cause to be paid by others claiming by through or under the Tenant, all personal taxes, which shall at any time be assessed against the Premises or any part or component thereof or taxable interest therein, including, without limiting the generality of the foregoing, all leasehold improvements, furniture, fixtures, equipment and personal property located upon the Premises and/or within any Building(s) located thereon.

31. **LANDLORD'S WAIVER AS TO PERSONAL PROPERTY.** Landlord hereby expressly waives any and all claim, right, lien (including, without limitation, any common law or statutory Landlord's lien), title and security interest in and to Tenant's leasehold estate under this Lease and any and all of Tenant's personal property or the personal property of others as may claim by through or under the Tenant (e.g. tenants of the Tenant) as may be located upon the Premises from time to time. Landlord further agrees to promptly execute any subordination or waiver agreement with respect to the foregoing reasonably requested of Tenant, Tenant's lender(s), those claiming by, through, or under the Tenant or their respective lender(s).

32. **UNAVOIDABLE DELAYS.** The time within which either party shall be required to perform any of its obligations hereunder shall be extended if and to the extent that the

performance thereof shall be prevented due to fire or other casualty or act of God, strikes, lockouts, labor troubles or shortages, material shortages, any moratorium or other governmental or court imposed restrictions, riots, criminal acts, food borne illness, insurrection, war, adverse and unusual weather conditions, vandalism, defective materials or work by third party contractors, jobsite accidents, the breach of the other party of its obligations under this Lease, or other reason of like nature beyond the reasonable control of the party delayed in such performance (each an event of "Force Majeure"). The provisions of this Section 32 shall not: (a) operate to excuse Landlord or Tenant from prompt payment of Rent or any other payment required by the terms of this Lease; or (b) be applicable to delays resulting from the inability of a party to obtain financing or to proceed with its obligations under this Lease because of a lack of funds.

33. **SCOPE AND INTERPRETATION OF THIS AGREEMENT.**

A. **Waiver of Jury Trial.** Landlord and Tenant shall and do hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with this Lease, including, but not limited to matters relating to the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises or of any Phase or part thereof, or any emergency or other statutory remedy.

B. **No Waiver.** No consent, approval or waiver, express or implied, by either of the parties hereto to or of any breach of any covenant, agreement or obligation of the other party shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, agreement or obligation.

C. **Brokerage.** Landlord and Tenant represent that each has had no dealings with any brokers or agents in connection with this Lease. Landlord and Tenant agree to defend, indemnify and hold the other harmless from any and all claims for compensation or commission in connection with this Lease by any broker, agent, or finder claiming to have dealt with such party.

D. **Memorandum of Lease.** Landlord or Tenant shall, within fifteen (15) days after the request of either of them, execute, acknowledge, deliver and record a Memorandum of Lease prepared substantially in accordance with the form attached hereto as **Exhibit H.** Landlord shall be responsible for the cost of recording the Memorandum of Lease and any termination thereof. Upon the expiration of the Lease Term, or the sooner termination of this Lease by Landlord or Tenant pursuant to any provision contained herein, Tenant shall forthwith upon demand by Landlord execute and deliver to Landlord a termination of such Memorandum of Lease and a release and cancellation of all rights arising therefrom and/or from this Lease which accrue after such expiration, termination or cancellation of the Lease Term.

E. **Attorney's Fees and Costs.** In the event of any litigation between Landlord and Tenant with respect to any matter arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, or Tenant's use or occupancy of the Premises, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs from the other party.

F. **Landlord-Tenant Relationship Only.** Consistent with other similar terms and provisions herein contained, the parties understand and agree that the relationship between them is only that of landlord and tenant.

G. **Headings**. Section and other headings herein are for quick reference and convenience only and do not alter, amend, explain or otherwise affect the terms or conditions of this Lease and shall not affect its interpretation.

H. **Interpretation/Governing Law/Venue**. If any provision of this Lease or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Lease and the application of that provision to other persons or circumstances shall not be affected but rather shall be enforced to the extent permitted by law. This Lease shall be construed without regard to any presumption or other rule requiring construction against the party drafting this Lease. Each covenant, agreement, obligation, or other provision of this Lease shall be deemed and construed as a separate and independent covenant of the party bound by, undertaking or making same, not dependent on any other provisions of this Lease unless otherwise expressly provided. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require. This Lease shall be governed by and construed in accordance with the laws of the State of Illinois. Landlord and Tenant hereby consent to the exercise of personal jurisdiction over them by any court of competent jurisdiction within the locus of the Premises in connection with any action brought for the enforcement of rights or remedies under this Lease and waive all defenses of lack of personal jurisdiction and forum non conveniens. Unless otherwise agreed by and between the parties, the only venue of any litigation by and between the parties shall be the County of Peoria in the State of Illinois.

I. **Entire Agreement**. This Lease contains the entire agreement of the parties with respect to the subject matter. No waivers, alterations or modifications of this Lease shall be valid unless in writing signed by both Landlord and Tenant.

J. **Binding Effect**. The provisions of this Lease, except as herein otherwise specifically provided shall extend to, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and permitted assigns.

L. **Time of the Essence**. Time is and shall be of the essence with respect to the respective duties and obligations of Tenant as set forth in this Lease.

M. **Lease Not Effective Until Executed by Both Parties**. Submission of this Lease shall not be deemed to be a reservation of the Premises. Neither Landlord nor Tenant shall be bound hereby until the delivery by Landlord to Tenant of an executed copy of this Lease signed by both Landlord and Tenant.

N. **Addendum and Exhibits**. The Addendum (Addenda) and Exhibits annexed hereto are incorporated in and made a part of this Lease.

O. **Time Periods**. For purposes of all time requirements and limits hereunder, any time requirement reference to days other than "business days" shall mean actual "calendar days" which shall include each day after the day from which the period commences. All time requirements referenced as "business days" shall include each day after the day from which the period commences excluding any Saturday, Sunday or legal holiday. If the final day of any such time period falls on a Saturday, Sunday or legal holiday in the jurisdiction where the Premises is located or the jurisdiction to which notices to Landlord or Tenant are to be sent, such period shall extend to 5:00 PM CST on the first business day thereafter.

P. **Patriot Act**. Tenant represents and warrants to the Landlord that: (i) no person or entity that directly owns a 10% or greater equity interest in it nor any of its officers, directors or managing members is a person or entity with whom U.S. persons or entities are restricted

from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including Executive Order 13224 (the "Executive Order") signed on September 24, 2001 and entitled Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action; (ii) the Tenant's activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time, the "Money Laundering Act"); and (iii) throughout the term of this Lease the Tenant shall comply with the Executive Order and with the Money Laundering Act.

Q. **Counterparts.** This Agreement may be executed in any number of counterparts, all of which shall constitute a single Agreement. Signatures delivered by facsimile, PDF, or electronic signatures shall be deemed to constitute original signatures for purposes of execution of this Lease.

R. **Landlord Access.** Commencing with that date and time upon which Tenant shall have possession of any Phase or part of the Premises, the Landlord shall be entitled, after twenty-four (24) hours' notice to the Tenant (or without notice in the case of an imminent emergency), or to the leased space of any other person or entity claiming by or under the Tenant (e.g. other tenants of space leased from Tenant) to enter into and upon any portion of the Premises for the purpose of determining and confirming compliance by Tenant with the terms hereof or for any other reasonable and proper purpose.

S. **Reasonability of Approval; Good Faith.** Where in the context hereof, the approval or consent of a party is required for any particular action or matter, the other party agrees that such approval or consent shall not be unreasonably withheld, conditioned, or delayed; and each party in such instances and all other instances (as part of their dealings and actions hereunder) shall at all times proceed in good faith and with reasonable diligence.

Extension of Deadlines. The parties acknowledge and recognize that various deadlines are imposed hereunder upon a party, for which such party may request an extension of such deadline(s). Each of the parties represents unto the other, that in the event of any such request for extension, such party will with care, diligence, prudence and reasonability consider such request as a part of (and before) making such party's determination(s) in connection therewith.

U. **Exhibits.** The following Exhibits are incorporated into and made a part of this Lease:

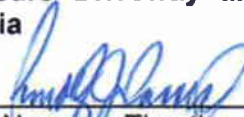
- | | |
|-----------|-------------------------------|
| Exhibit A | Legal Description of Premises |
| Exhibit B | Site Plan of Premises |
| Exhibit C | Site Plan of Phases |
| Exhibit D | Description of Phases |
| Exhibit E | Delivery Acceptance Agreement |
| Exhibit F | Rent Commencement Agreement |
| Exhibit G | Rent Analysis Examples |
| Exhibit H | Current Zoning Code Uses |
| Exhibit I | Memorandum of Lease |

(Signatures on following page.)

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands and seals on the day and year set forth below.

Landlord:

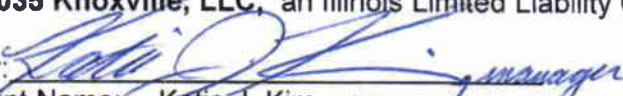
Pleasure Driveway and Park District of Peoria

By: 
Print Name: Timothy J. Cassidy
Title: President

Date: January 9, 2019
Duly authorized

Tenant:

6035 Knoxville, LLC, an Illinois Limited Liability Co.

By: 
Print Name: Katie J. Kim AS MANAGER
Title: MANAGER

Date: JANUARY 14th, 2019
Duly authorized

Katie J. Kim


Personally and Individually confirming her guarantee, representations and assurances where specifically so provided for her in the foregoing Lease

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

Parcel # 14-16-327-008 Legal Description:

From Document #96-25200; a Quit Claim Deed from the State of Illinois to the Pleasure Driveway and Park District of Peoria Illinois recorded August 26, 1996.

A part of the Northeast Quarter of the Southwest Quarter of Section 16. Township 9 North, Range 8 East of the Fourth Principal Meridian, County of Peoria and State of Illinois, described in detail as follows:

Commencing at the northeast corner of the Southwest Quarter of said Section 16; thence South 89 Degrees 59 Minutes 35 Seconds West, 1,111.10 feet along the North line of the Southwest Quarter of said Section 16; thence South 0 degrees 00 Minutes 25 Seconds East, 33.00 feet to a pin and the Point of Beginning.

From the Point of Beginning thence North 89 Degrees 59 Minutes 35 Seconds East, 286.02 feet to a point 60.00 feet normally distant southwesterly from the survey line of FA Route 646 (SBI Route 88) (IL. Route 40 formerly known as IL 88) (Knoxville Avenue); thence South 57 Degrees 24 Minutes 00 Seconds East, 205.23 feet parallel with the said survey line; thence southeasterly 763.45 feet along a curve concave southwesterly having a radius of 1,372.39 feet and a long chord of 753.65 feet bearing South 41 Degrees 27 Minutes 48 Seconds East concentric with the said survey line to a pin; thence South 46 Degrees 28 Minutes 39 Seconds West, 42.12 feet to a point 100.00 feet radially distant southwesterly from the said survey line; thence southeasterly 196.47 feet along a curve concave southwesterly having a radius of 1,332.39 feet and a long chord of 196.29 feet bearing South 20 Degrees 44 Minutes 34 Seconds East concentric with the said survey line; thence South 46 Degrees 28 Minutes 39 Seconds West, 118.82 feet to a found pipe; thence North 43 Degrees 31 Minutes 00 Seconds West, 651.00 feet to a pin; thence North 46 Degrees 29 Minutes 00 Seconds East, 54.50 feet to a railroad spike; thence North 43 Degrees 31 Minutes 00 Seconds West, 100.00 feet to a railroad spike; thence South 46 Degrees 29 Minutes 00 Seconds West, 54.50 feet to a pin; thence North 43 Degrees 31 Minutes 00 Seconds West, 292.46 feet to a pin; thence northwesterly 286.98 feet along a curve concave northeasterly having a radius of 5,679.65 feet and a long chord of 286.95 feet bearing North 42 Degrees 04 Minutes 09 Seconds West to the Point of Beginning containing 7.058 acres (307,461 square feet) more or less.

EXHIBIT B

SITE PLAN OF PREMISES

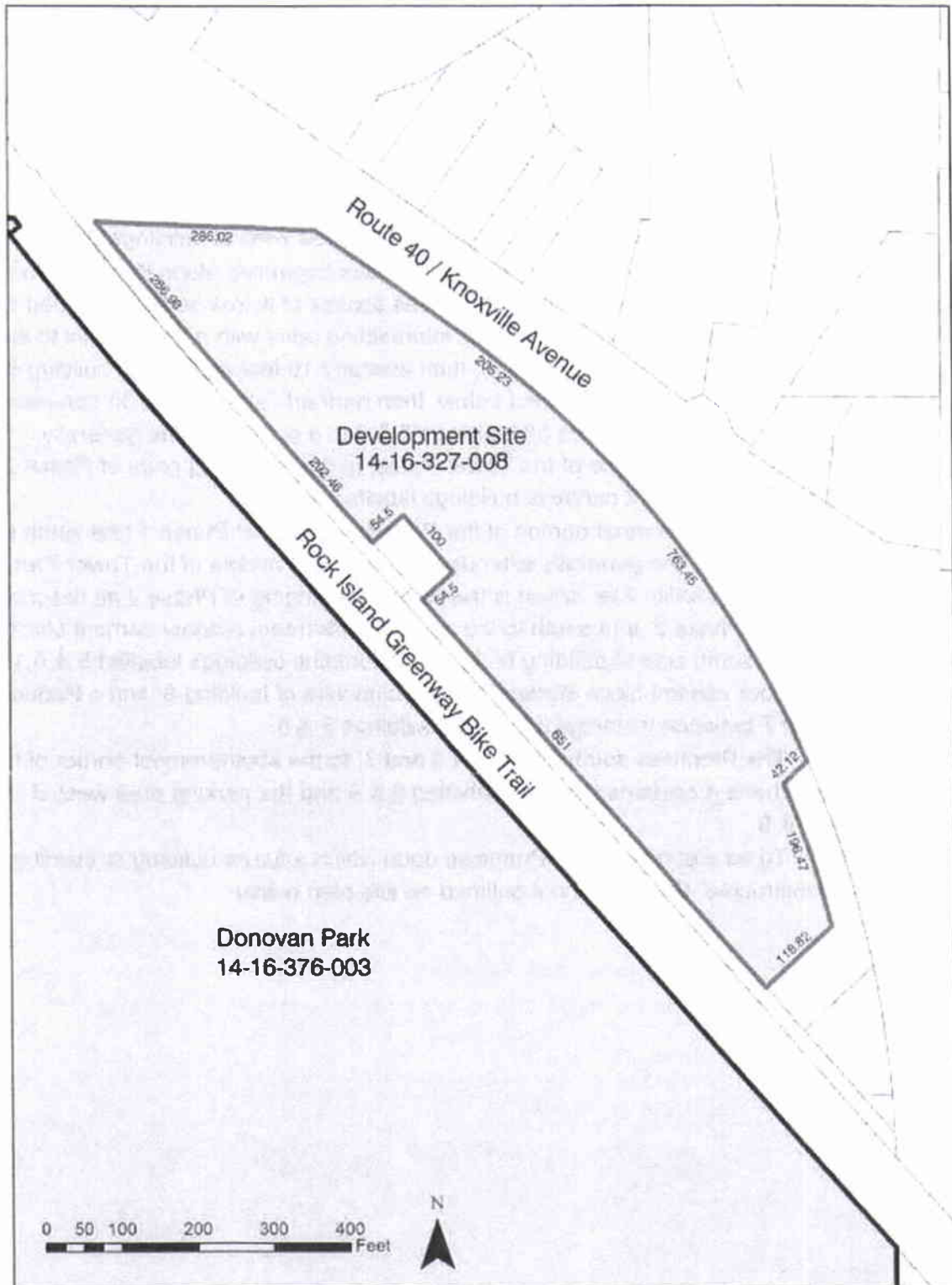


EXHIBIT C**SITE PLAN OF PHASES**

This Exhibit is made and entered into as part of the Agreement by and between PLEASURE DRIVEWAY & PARK DISTRICT OF PEORIA ("LANDLORD") and 6035 KNOXVILLE, LLC ("TENANT") and its provisions applicable in addition to, or in place of, as the case may be, provisions of the Agreement to which this document is an Exhibit.

Additional terms and conditions, which are part of this Agreement, are as follows:

- PHASE 1 - The northernmost portion of the Premises, nearest Northmoor Rd, south to (and including) the currently dormant Premises access off Knoxville Avenue. Phase 1 contains buildings labelled 1 & 2 and the parking lot area west of buildings 1 & 2.
- PHASE 2 – The easternmost portion of the Premises beginning along Knoxville Ave. at the south line of the currently dormant Premises access of Knoxville Avenue, then south to a point along Knoxville Ave (which is its intersecting point with a line parallel to and 10 feet north of the north side of building 8), then westerly 10 feet setoff from building 8, to the eastern line of Phase 3 described below, then northerly along a line 30 feet east of (and parallel to the eastern sides of) buildings 5 & 6 to a point on a line generally extending between the middle of the Tower Parcel to the beginning point of Phase 2 described above. Phase 2 contains buildings labelled 3 & 4.
- PHASE 3 – The westernmost portion of the Premises, south of Phase 1 (the south line of which is along the line generally extending between the middle of the Tower Parcel to that point along Knoxville Ave. which is the point of beginning of Phase 2 as described above), west of Phase 2, and south to the end of the dormant outdoor cement block storage on the south side of building 6. Phase 3 contains buildings labelled 5 & 6, the dormant outdoor cement block storage on the south side of building 6, and a Pedestrian Mall labelled 7 between buildings 3 & 4 and buildings 5 & 6.
- PHASE 4 – The Premises south of Phases 2 and 3, to the southernmost border of the Premises. Phase 4 contains buildings labelled 8 & 9 and the parking area west of buildings 8 & 9.
- PHASE 5 – To be a portion of the Premises upon which a future building or buildings may be constructed. Exact area not outlined on site plan below.

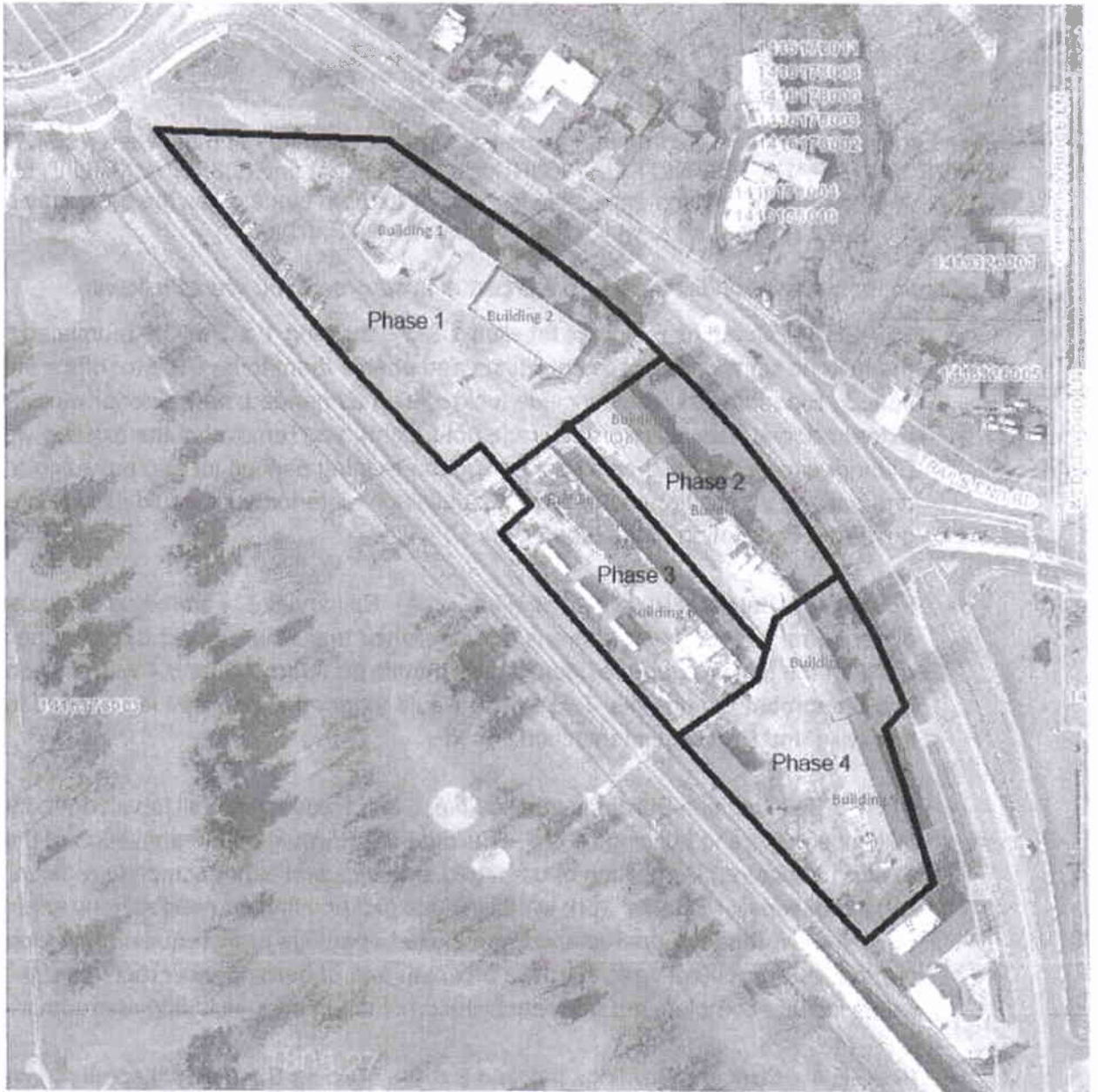


EXHIBIT D**DESCRIPTION OF PHASES**

This Exhibit is made and entered into as part of the Agreement by and between PLEASURE DRIVEWAY & PARK DISTRICT OF PEORIA ("LANDLORD") and 6035 KNOXVILLE, LLC ("TENANT") and its provisions applicable in addition to, or in place of, as the case may be, provisions of the Agreement to which this document is an Exhibit.

Additional terms and conditions, which are part of this Agreement, are as follows:

- PHASE 1 - Contains Buildings labelled 1 & 2 – Building 1 & 2 will be renovated to keep the historic significance of the buildings and enable them to be used for office and retail space. Exterior work would include tuckpointing as needed, new exterior windows, new exterior doors, new elevator (passage not freight), and removal of the existing vines. Exterior site work would entail enhancing the existing parking lot and providing a road and parking across the east side of the buildings. Interior work would include a complete gut and rehabilitation of the interior.
- PHASE 2 – Contains Buildings labelled 3 & 4 – Building 3 & 4 are being evaluated to either be renovated as-is, where-is or demolished and a new mixed use building with retail on the first floor and residential apartments on floors 2,3, and 4 with a mix of 1,2, and 3 bedroom apartments. This Phase would trigger the stop light leg needed from Knoxville and Prospect intersection.
- PHASE 3 – Contains Buildings labelled 5 & 6 and Pedestrian Mall labelled 7 between buildings 3 & 4 and buildings 5 & 6 – Building 5 & 6 would entail renovation of the existing structure. Demolition of damaged structure and either complete removal of canopy or repair. Exterior work would include tuckpointing as needed, new exterior windows, overhead doors replaced with glazed openings or as requested by tenants, removal/re-purpose of concrete bays on south end of building, new roof. Interior work would include complete gut and rehabilitation of the interior including restrooms.
- PHASE 4 – Contains Buildings labelled 8 & 9 – Building 8 & 9 would entail renovation of the existing structure. Exterior work would include tuckpointing as needed, new exterior windows, overhead doors replaced with glazed openings or as requested by tenants, and minor work on the exterior of the structure. Interior work would include a complete gut and rehab of the interior including restrooms and division of space into smaller suites as needed for retail and tenant use.
- PHASE 5 – To be a portion of the Premise upon which a future building or buildings may be constructed. Exact area not outlined on site plan. These future buildings may include a stand-a-lone restaurant or retail store or it may include a multiple story apartment building or a multiple story mixed use building.

EXHIBIT E

DELIVERY ACCEPTANCE AGREEMENT

This Delivery Acceptance Agreement is made as of _____, with reference to that certain Lease ("Lease"), dated _____ ("Commencement Date"), by and between **Pleasure Driveway and Park District of Peoria ("Landlord")** and **6035 Knoxville, LLC, an Illinois Limited Liability Company ("Tenant")** for Premises located at 6035 North Knoxville Avenue, Peoria, IL ("Premises") and for Phase _____ being a part thereof, as more particularly described in the Lease.

For purposes of confirming the delivery and acceptance of a certain Phase and/or other portion of the Premises, Landlord and Tenant hereby acknowledge that: Phase (or other portion of the Premises) described as follows:

has been delivered as of the date hereof by Landlord to Tenant and Tenant has accepted same from the Landlord, with all obligations set forth in Section 3.B and 3.C of the Lease and any other obligations of Tenant commencing with and commensurate with Tenant's possession thereof to commence as and from the dates set forth herein.

Additional considerations and understandings:

**TENANT: 6035 Knoxville, LLC,
an Illinois Limited Liability Co.**

**LANDLORD: Pleasure Driveway and
Park District of Peoria**

BY: _____

BY: _____

ITS: _____

ITS: _____

EXHIBIT F

RENT COMMENCEMENT AGREEMENT

This Rent Commencement Agreement is made as of _____, with reference to that certain Lease ("Lease"), dated _____ ("Commencement Date"), by and between **Pleasure Driveway and Park District of Peoria** ("Landlord") and **6035 Knoxville, LLC**, an Illinois Limited Liability Company ("Tenant") for Premises located at 6035 North Knoxville Avenue, Peoria, IL ("Premises") and for Phase _____ being a part thereof, as more particularly described in the Lease.

For purposes of confirming certain fundamental terms of the Lease, Landlord and Tenant hereby acknowledge that:

Phase _____:

- Total leasable square footage: _____
- The Date of City of Peoria's Occupancy Approval: _____
- Rent Commencement Date: _____
- Lease Year 1 Rent (\$1.00 per square foot)
 - Start Date: _____ End Date: _____
- Lease Year 2 Rent (\$1.50 per square foot)
 - Start Date: _____ End Date: _____
- Lease Year 3 Rent (\$1.75 per square foot)
 - Start Date: _____ End Date: _____
- Lease Years 4-8 Rent (\$2.00 per square foot)
 - Start Date: _____ End Date: _____
- Annual Net Cash Flow Participation Calendar Year Start: _____
- Rent Bump
 - Initial Review Year: _____
 - Review Period End: _____

TENANT: **6035 Knoxville, LLC,**
an Illinois Limited Liability Co.

LANDLORD: **Pleasure Driveway and**
Park District of Peoria

BY: _____
ITS: _____

BY: _____
ITS: _____

EXHIBIT G

RENT ANALYSIS EXAMPLES

Lease Bump Example #1: Phase 1, years 1 through 8, the net cash flow participation is greater than the five year base rent growth.

Square Footage 38,318				Rent Bump Assessment		Net Cash Flow Participation	
Year		PPD Rent/SF	Annual Rent to PPD	Tenant Rents Paid		Net cash flow for 1/3rd splits	1/3 paid to PPD annually
1	Rent ramp up	\$ 1.00	\$ 38,318	\$ 400,000		PPD's Participation in eligible net cash flow doesn't start until Initial Review Year	
2		\$ 1.50	\$ 57,477	\$ 500,000			
3		\$ 1.75	\$ 67,057	\$ 650,000			
4	5 year review period	\$ 2.00	\$ 76,636	\$ 655,000	Initial Review Year	\$ 9,000	\$ 3,000.00
5		\$ 2.00	\$ 76,636	\$ 660,000		\$ 12,000	\$ 4,000.00
6		\$ 2.00	\$ 76,636	\$ 675,000		\$ 18,000	\$ 6,000.00
7		\$ 2.00	\$ 76,636	\$ 700,000		\$ 24,000	\$ 8,000.00
8		\$ 2.00	\$ 76,636	\$ 705,000	Review Period End	\$ 30,000	\$ 10,000.00

Review Percentage from year 4-8 7.63%

5 year value of Review Percentage	\$ 28,738.50	vs.	Years 4-8 net cash flow paid to PPD	\$ 31,000.00
Net cash flow payments > 5 year value of rent increase, therefore				
6035 LLC owes PPD one time payment of	\$ -	and for next 5 years 6035 LLC's per square foot rent rate to PPD changes by	0.00%	to \$2.00

Lease Bump Example #2: Phase 1, years 9 through 13, the net cash flow participation is less than the five year base rent growth.

Square Footage 38,318				Rent Bump Assessment		Net Cash Flow Participation	
Year		PPD Rent/SF	Annual Rent to PPD	Tenant Rents Paid		Net cash flow for 1/3rd splits	1/3 paid to PPD annually
9	5 year review period	\$ 2.00	\$ 76,636	\$ 710,000	Review Period	\$ 9,000	\$ 3,000.00
10		\$ 2.00	\$ 76,636	\$ 715,000		\$ 9,000	\$ 3,000.00
11		\$ 2.00	\$ 76,636	\$ 725,000		\$ 9,000	\$ 3,000.00
12		\$ 2.00	\$ 76,636	\$ 735,000		\$ 9,000	\$ 3,000.00
13		\$ 2.00	\$ 76,636	\$ 742,000	Review Period End	\$ 9,000	\$ 3,000.00

Review Percentage from year 9-13 4.51%

5 year value of Review Percentage	\$ 17,243.10	vs.	Years 9-13 net cash flow paid to PPD	\$ 15,000.00
Net cash flow payments < 5 year value of rent increase, therefore				
6035 LLC owes PPD one time payment of	\$ 2,243.10	and for next 5 years 6035 LLC's per square foot rent rate to PPD changes by	4.51%	to \$2.09

Lease Bump Example #3: Phase 1, years 14 through 18, the net cash flow participation is greater than the five year base rent growth.

Square Footage 38,318				Rent Bump Assessment		Net Cash Flow Participation	
Year		PPD Rent/SF	Annual Rent to PPD	Tenant Rents Paid		Net cash flow for 1/3rd splits	1/3 paid to PPD annually
14	5 year review period	\$ 2.09	\$ 80,085	\$ 742,000	Review Period	\$ 9,000	\$ 3,000.00
15		\$ 2.09	\$ 80,085	\$ 742,000		\$ 6,000	\$ 2,000.00
16		\$ 2.09	\$ 80,085	\$ 742,000		\$ 3,000	\$ 1,000.00
17		\$ 2.09	\$ 80,085	\$ 742,000		\$ 3,000	\$ 1,000.00
18		\$ 2.09	\$ 80,085	\$ 742,000	Review Period End	\$ 6,000	\$ 2,000.00

Review Percentage from year 14-18 0.00%

5 year value of Review Percentage	\$ -	vs.	Years 14-18 net cash flow paid to PPD	\$ 9,000.00
Net cash flow payments > 5 year value of rent increase, therefore				
6035 LLC owes PPD one time payment of	\$ -	and for next 5 years 6035 LLC's per square foot rent rate to PPD changes by	0.00%	to \$2.09

Lease Bump Example #4: Phase 1, years 19 through 23, the net cash flow participation is greater than the five year base rent growth.

Square Footage 38,318				Rent Bump Assessment		Net Cash Flow Participation	
Year		PPD Rent/SF	Annual Rent to PPD	Tenant Rents Paid		Net cash flow for 1/3rd splits	1/3 paid to PPD annually
19	5 year review period	\$ 2.09	\$ 80,085	\$ 742,000	Review Period	\$ -	\$ -
20		\$ 2.09	\$ 80,085	\$ 742,000		\$ -	\$ -
21		\$ 2.09	\$ 80,085	\$ 740,000		\$ -	\$ -
22		\$ 2.09	\$ 80,085	\$ 740,000		\$ -	\$ -
23		\$ 2.09	\$ 80,085	\$ 738,000	Review Period End	\$ -	\$ -

Review Percentage from year 19-23 -0.54%

5 year value of Review Percentage	\$ (1,915.90)	vs.	Years 19-23 net cash flow paid to PPD	\$ -
Net cash flow payments > 5 year value of rent increase, therefore				
6035 LLC owes PPD one time payment of	\$ -	and for next 5 years 6035 LLC's per square foot rent rate to PPD changes by	0.00%	to \$2.09

Lease Bump Example #5: Phase 1, years 24 through 28, the net cash flow participation is less than the five year base rent growth.

Square Footage		38,318		Rent Bump Assessment		Net Cash Flow Participation	
Year		PPD Rent/SF	Annual Rent to PPD	Tenant Rents Paid		Net cash flow for 1/3rd splits	1/3 paid to PPD annually
24		\$ 2.09	\$ 80,085	\$ 738,000	Review Period	\$ -	\$ -
25	5 year review period	\$ 2.09	\$ 80,085	\$ 742,000		\$ -	\$ -
26		\$ 2.09	\$ 80,085	\$ 740,000		\$ -	\$ -
27		\$ 2.09	\$ 80,085	\$ 745,000		\$ -	\$ -
28		\$ 2.09	\$ 80,085	\$ 748,000	Review Period End	\$ -	\$ -

Review Percentage from year 24-28 1.36%

5 year value of Review Percentage	\$ 5,747.70	vs.	Years 24-28 net cash flow paid to PPD	\$ -
Net cash flow payments > 5 year value of rent increase, therefore				
TKG owes PPD one time payment of	\$ 5,747.70	and for next 5 years 6035 LLC's per square foot rent rate to PPD changes by	1.36%	to \$2.12

Exhibit H**ZONING CODE USES (C-1 WITH SPECIAL USE ADDITIONS)**PEORIA, ILLINOIS CODE OF ORDINANCES
EXCERPT FROM 5.2.2 PERMITTED USE TABLE

Permitted Use	Use Performance Standard
Civic	
Academy (special training)	
All educational facilities, except as listed below:	
All medical facilities, except as listed below:	
All minor utilities	5.3.2C
All parks and open areas, except as listed below:	5.3.2E
All places of worship	
Beekeeping	5.3.2H
Bus Transfer Station	
College, Community College, University	
Community Garden	5.3.2.G.1
Day Care Center (8+ children)	5.3.2B
Drop-in Child Care Center	
Job Training, Vocational Rehabilitation Service	
Medical, Dental, or Chiropractor Laboratory, Clinic, Office	
Museum, Library	
Neighborhood Arts Center or Similar Community Facility (public)	
Parks - Active Recreation	5.3.2.E.
Philanthropic Institution	
Police, Fire, EMS Substation	
School, Public or Private (K—12)	
School, Trade, no heavy equipment or truck operators	
Commercial	
All offices	
Animal Boarding, Animal Shelter, Kennel, Doggy Day Care	5.3.3A
Animal Hospital, Veterinary Clinic, Pet Clinic	5.3.3A
Art or photo studio, gallery	
Bed and Breakfast	5.3.3B
Convenience store with gas pumps, Gas station	5.3.3C
Convenience store without gas pumps	
Farmers Market	5.3.3D
Funeral Home or Mortuary, Undertaking Establishment	
Post Office	
Restaurant, Drive-in	
School for the Arts	
Residential	
Live-Work	5.3.1B
Upper Story Residential	

ZONING CODE USES (C-1 WITH SPECIAL USE ADDITIONS)

PEORIA, ILLINOIS CODE OF ORDINANCES
EXCERPT FROM 5.2.2 PERMITTED USE TABLE

Special Use	Use Performance Standard
Civic	
Ambulatory Surgery Center, Blood Plasma Donation Center	
Bus, Train Passenger Terminal	
Cemetery, Mausoleum, Columbarium, Memorial Park	
Game Preserve, Wildlife Management Area, Refuge, Animal Sanctuary	
Halfway House	
Outpatient Treatment Facility, Recovery Home, Residential Treatment Facility	
Single Room Occupancy	
Taxicab Dispatch Station, Limousine Service, Charter Service	
Commercial	
All Vehicle Repair, Sales & Service, except as listed below:	5.3.3G
Auditorium, arena, stadium (indoor)	
Convenience Cash Businesses	5.3.3H
Full- or Self-Service Vehicle Wash	5.3.3G
Hotel, Motel, Inn, Extended Stay Facility	
Medical Cannabis Dispensary	
Shopping Center	5.3.3.J
Warehouse, indoor multi-story	5.3.3F
Industrial	
Recycling Drop-off Facility	
Residential	
Apartment	5.3.1D
Assisted Living Facility	
Boarding House, Rooming House	

Exhibit I

MEMORANDUM OF LEASE

Prepared By and Upon
Recordation Return To:

Address of Property:
6035 Knoxville Ave.
Peoria, IL 61614
PIN: 14-16-327-008

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is made and entered into as of January 9, 2019 by and between Pleasure Driveway and Park District of Peoria ("Landlord"), and 6035 Knoxville, LLC, an Illinois Limited Liability Company ("Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant have entered into a certain Lease dated January 9, 2019 (the "Lease") whereby Landlord has leased to Tenant, and Tenant has leased from Landlord, a parcel of land located at 6035 Knoxville Avenue in the City of Peoria, Illinois (the "Premises"); and

WHEREAS, Landlord and Tenant desire to enter into and record this Memorandum of Lease in order that third parties may have notice of Tenant's interest and rights under the Lease, of the leasehold estate of Tenant created thereby, and of the Lease.

NOW, THEREFORE, Landlord, in consideration of the rents and covenants provided for in the Lease, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, specific reference is hereby made to the following provisions of the Lease:

Tenant shall have and hold the Premises for a term of fifty (50) years, which commences on January 9, 2019 and expires on January 9, 2069, all as more particularly described in the Lease.

All terms, conditions, provisions and covenants of the Lease are incorporated into this Memorandum of Lease by reference as though fully set forth herein, and the Lease and this Memorandum of Lease shall be deemed to constitute a single instrument or document. This Memorandum of Lease has been entered into by Landlord and Tenant for purposes of recordation in the appropriate real estate records of Peoria County, Illinois to provide notice to third parties of the Lease and nothing contained herein shall be deemed or construed to amend, modify, change, alter, amplify, interpret or supersede any of the terms and provisions of the Lease. In the event of a conflict between the terms of the Lease and the terms of this Memorandum of Lease, the terms of the Lease shall control.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease as of the date first above written.

LANDLORD:

Pleasure Driveway and Park District of Peoria

By: [Signature]
Name: Timothy J. Cassidy
Title: President

TENANT:

6035 Knoxville, LLC, an Illinois Limited Liability Company

By: [Signature] as manager
Name: Katie J. Kim, AS MANAGER
Title: MANAGER

STATE OF ILLINOIS)
) SS
COUNTY OF PEORIA)

This instrument was acknowledged before me on January 9, 2019, by Timothy J. Cassidy, the President of Pleasure Driveway and Park District of Peoria, of Peoria, Illinois, on behalf of said Park District.

[Signature]
Notary Public

My Commission Expires: 7/25/21



STATE OF ILLINOIS)
) SS
COUNTY OF PEORIA)

This instrument was acknowledged before me on January 14, 2019, by Katie J. Kim, the Manager of 6035 Knoxville, LLC, an Illinois Limited Liability Company, on behalf of said company.

[Signature]
Notary Public

My Commission Expires: 7/25/21

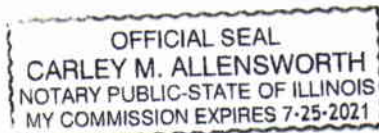


EXHIBIT "A" TO MEMORANDUM OF LEASE**Legal Description**

A part of the Northeast Quarter of the Southwest Quarter of Section 16, Township 9 North, Range 8 East of the Fourth Principal Meridian, County of Peoria and State of Illinois, described in detail as follows:

Commencing at the northeast corner of the Southwest Quarter of said Section 16; thence South 89 Degrees 59 Minutes 35 Seconds West, 1,111.10 feet along the North line of the Southwest Quarter of said Section 16; thence South 0 degrees 00 Minutes 25 Seconds East, 33.00 feet to a pin and the Point of Beginning.

From the Point of Beginning thence North 89 Degrees 59 Minutes 35 Seconds East, 286.02 feet to a point 60.00 feet normally distant southwesterly from the survey line of FA Route 646 (SBI Route 88) (IL. Route 40 formerly known as IL 88) (Knoxville Avenue); thence South 57 Degrees 24 Minutes 00 Seconds East, 205.23 feet parallel with the said survey line; thence southeasterly 763.45 feet along a curve concave southwesterly having a radius of 1,372.39 feet and a long chord of 753.65 feet bearing South 41 Degrees 27 Minutes 48 Seconds East concentric with the said survey line to a pin; thence South 46 Degrees 28 Minutes 39 Seconds West, 42.12 feet to a point 100.00 feet radially distant southwesterly from the said survey line; thence southeasterly 196.47 feet along a curve concave southwesterly having a radius of 1,332.39 feet and a long chord of 196.29 feet bearing South 20 Degrees 44 Minutes 34 Seconds East concentric with the said survey line; thence South 46 Degrees 28 Minutes 39 Seconds West, 118.82 feet to a found pipe; thence North 43 Degrees 31 Minutes 00 Seconds West, 651.00 feet to a pin; thence North 46 Degrees 29 Minutes 00 Seconds East, 54.50 feet to a railroad spike; thence North 43 Degrees 31 Minutes 00 Seconds West, 100.00 feet to a railroad spike; thence South 46 Degrees 29 Minutes 00 Seconds West, 54.50 feet to a pin; thence North 43 Degrees 31 Minutes 00 Seconds West, 292.46 feet to a pin; thence northwesterly 286.98 feet along a curve concave northeasterly having a radius of 5,679.65 feet and a long chord of 286.95 feet bearing North 42 Degrees 04 Minutes 09 Seconds West to the Point of Beginning containing 7.058 acres (307,461 square feet) more or less.

Address of Property:

6035 Knoxville Ave

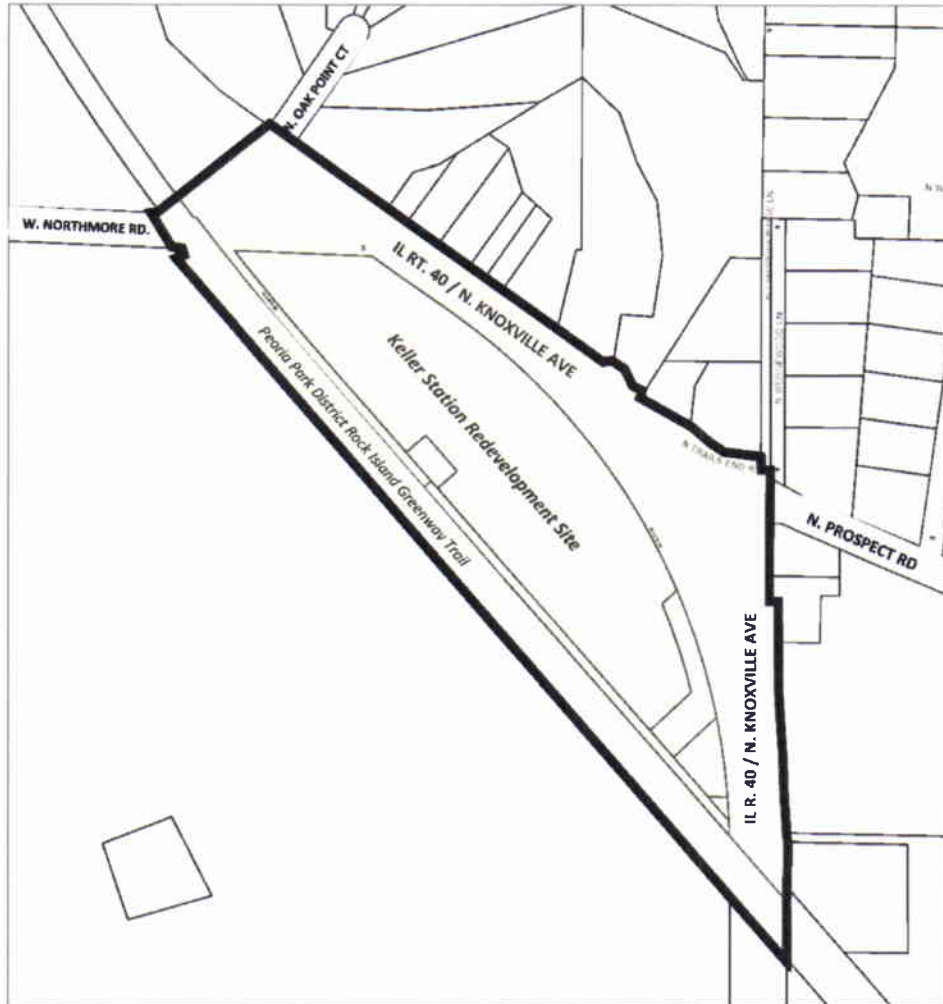
Peoria, IL 61614

PIN: 14-16-327-008

EXHIBIT 2

**PEORIA-KELLER STATION BDD AREA
BOUNDARY MAP AND BOUNDARY DESCRIPTION**

City of Peoria, Illinois
Proposed Keller Station Business Development District Boundary Map
 (not to scale – for discussion purposes only – January 26, 2022)



PROPOSED BOUNDARY DESCRIPTION FOR KELLER STATION BUSINESS DEVELOPMENT DISTRICT

BEGINNING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF N OAK POINT CT AND THE EAST RIGHT-OF-WAY LINE OF N KNOXVILLE AVE; THENCE SOUTHEASTERLY ALONG EAST RIGHT-OF-WAY LINE OF N KNOXVILLE AVE TO THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF N PROSPECT RD AND THE EAST RIGHT-OF-WAY LINE OF N KNOXVILLE AVE; THENCE SOUTH ALONG THE EAST RIGHT-OF-WAY-LINE OF N KNOXVILLE AVE EXTENDED TO A POINT INTERSECTING WITH THE WEST RIGHT-OF-WAY LINE OF THE PEORIA PARK DISTRICT ROCK ISLAND GREENWAY TRAIL; THENCE NORTHWESTERLY ALONG THE WEST RIGHT RIGHT-OF-WAY LINE OF THE PEORIA PARK DISTRICT ROCK ISLAND GREENWAY TRAIL TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF W NORTHMORE RD; THENCE NORTHEASTERLY ON A LINE EXTENDED FROM SAID POINT ON THE NORTH RIGHT-OF-WAY LINE OF W NORTHMORE RD TO THE POINT OF BEGINNING, ALL SITUATED IN THE CITY OF PEORIA, COUNTY OF PEORIA, AND STATE OF ILLINOIS.

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EXHIBIT 3

**PEORIA-KELLER STATION BDD AREA
CURRENT STREET ADDRESSES**

Property Location	Street Addresses
<p>Keller Station Site PIN 14-16-327-008</p>	<p>6001 N KNOXVILLE - SUITE 100 (vacant, under construction) 6001 N KNOXVILLE - SUITE 101 (vacant, under construction) 6001 N KNOXVILLE - SUITE 102 (vacant, under construction) 6001 N KNOXVILLE - SUITE 103 (vacant, under construction) 6001 N KNOXVILLE - SUITE 104 (vacant, under construction) 6001 N KNOXVILLE - SUITE 105 (vacant, under construction) 6001 N KNOXVILLE - SUITE 106 (vacant, under construction) 6001 N KNOXVILLE - SUITE 107 (vacant, under construction) 6009 N KNOXVILLE - SUITE 101 (vacant, under construction) 6009 N KNOXVILLE - SUITE 104 (vacant, under construction) 6009 N KNOXVILLE - SUITE 105 (vacant, under construction) 6009 N KNOXVILLE - SUITE 106 (vacant, under construction) 6009 N KNOXVILLE - SUITE 107 (vacant, under construction) 6009 N KNOXVILLE - SUITE 108-109 (vacant, under construction) 6015 N KNOXVILLE - SUITE 100, PATIO, & 104B (BONE FOOD CORP) 6015 N KNOXVILLE - SUITE 102 (HUE SALON) 6015 N KNOXVILLE - SUITE 103 (HELLO HEADBAND, LLC) 6015 N KNOXVILLE - SUITE 104 (FLAT BRANCH MORTGAGE) 6015 N KNOXVILLE - SUITE 105 (INSPIRED MATERNITY) 6035 N KNOXVILLE - SUITE C (STUDIO C) 6035 N KNOXVILLE - SUITE 100A (CXT COFFEE (MISSING ZITHER)) 6035 N KNOXVILLE - SUITE 100B (available for lease) 6035 N KNOXVILLE - SUITE 100C (available for lease) 6035 N KNOXVILLE - SUITE 100D (available for lease) 6035 N KNOXVILLE - SUITE 100E (available for lease) 6035 N KNOXVILLE - SUITE 100F (available for lease) 6035 N KNOXVILLE - SUITE 100G (available for lease) 6035 N KNOXVILLE - SUITE 100H (available for lease) 6035 N KNOXVILLE - SUITE 100I (available for lease) 6035 N KNOXVILLE - SUITE 101 (CXT COFFEE) 6035 N KNOXVILLE - SUITE 102A (EXP REALTY) 6035 N KNOXVILLE - SUITE 102B (CMFS - KREID ASSET MANAGEMENT) 6035 N KNOXVILLE - SUITE 103A (HOLMES MURPHY) 6035 N KNOXVILLE - SUITE 103B (CLARK & MEISS GROUP) 6035 N KNOXVILLE - SUITE 104 (available for lease) 6035 N KNOXVILLE - SUITE 105 (MILLER TITLE) 6035 N KNOXVILLE - SUITE 200 (THE KIM GROUP LTD.) 6035 N KNOXVILLE - SUITE 201A (available for lease) 6035 N KNOXVILLE - SUITE 201B (available for lease) 6035 N KNOXVILLE - SUITE 202A (available for lease) 6035 N KNOXVILLE - SUITE 202B (available for lease) 6035 N KNOXVILLE - SUITE 203A (available for lease) 6035 N KNOXVILLE - SUITE 203B (available for lease) 6035 N KNOXVILLE - SUITE 203C (available for lease) 6035 N KNOXVILLE - SUITE 203D (CIORBA GROUP) 6035 N KNOXVILLE - SUITE 203E (available for lease) 6035 N KNOXVILLE - SUITE 203F (available for lease)</p>

Property Location	Street Addresses
	6035 N KNOXVILLE - SUITE 204A (CUISINE CONCEPTS) 6035 N KNOXVILLE - SUITE 204B (MURPHY & HOLMES) 6035 N KNOXVILLE - SUITE 204C (STEADFAST COUNSELING LLC) 6035 N KNOXVILLE - SUITE 204D (available for lease) 6035 N KNOXVILLE - SUITE 204E (available for lease) 6035 N KNOXVILLE - SUITE 204F (KITCHEART LLC) 6035 N KNOXVILLE - SUITE 204G (THE YELLOW BEAR FOUNDATION) 6035 N KNOXVILLE - SUITE 204H (AUTONOMY ALLIANCE COUNSELING) 6035 N KNOXVILLE - SUITE 204I (STARK INDUSTRIES)
<p>McQuellon Consulting Inc.; McQuellon Appraisal Service; Robert McQuellon Law Firm; State Farm Insurance Offices; Thomas Gilfillan, DDS</p> <p>PIN 14-16-327-006</p>	5901 N KNOXVILLE AVE #101 (MCQUELLON) 5901 N KNOXVILLE AVE # 102 (THOMAS GILFILLAN, DDS) 5901 N KNOXVILLE AVE # 202 (STATE FARM INSURANCE)
<p>Kinetico Superior Water Systems, Inc.; CEFCU ATM</p> <p>PIN 14-16-327-004</p>	5831 N KNOXVILLE AVE (KINETIC-SUPERIOR WATER SYSTEMS, INC.)

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