

AGENDA
THE CITY OF ST. CHARLES
GOVERNMENT OPERATIONS COMMITTEE
ALD. RON SILKAITIS, CHAIR
TUESDAY, JANUARY 17, 2023
IMMEDIATELY FOLLOWING THE CITY COUNCIL MEETING
CITY COUNCIL CHAMBERS – 2 EAST MAIN STREET

1. Call to Order

2. Roll Call

3. Omnibus Vote

Items with an asterisk (*) are considered to be routine matters and will be enacted by one motion. There will be no separate discussion on these items unless a council member/citizen so requests, in which event the item will be removed from the consent agenda and considered in normal sequence on the agenda.

4. Police Department

- a. Recommendation to approve an **Ordinance** Amending Title 5 “Business Licenses and Regulations”, Chapter 5.08 “Alcoholic Beverages”, Sections 5.08.090 “License – Classifications” and 5.08.100 “License Fees” of the St. Charles Municipal Code.
- b. Recommendation to approve a Proposal for a D-8 Liquor License Application for Knead, LLC dba Fox Den Cooking Located at 131 S. First St., St. Charles.
- c. Recommendation to approve a Proposal for Massage License Application for Vanilla Health Care at 615 S. Randall Road.
- d. Recommendation to approve a Proposal for an A-6 Liquor License Application for Krishudha Ohm LLC dba BP Gas Station Located at 1660 W. Main St., St. Charles.

5. Information Systems

- *a. Recommendation to approve a **Resolution** to authorize staff to award MCCi, LLC an annual contract for Laserfiche support and maintenance for \$29,519.
- b. Recommendation to approve a Microsoft Enterprise Agreement subscription from Dell Marketing LP in the amount of \$236,478.

6. Community & Economic Development

- a. Recommendation to approve an **Ordinance** of the City of St. Charles, Kane and DuPage Counties, Illinois, Approving a Tax Increment Redevelopment Plan and Redevelopment Project for The Pheasant Run Redevelopment Project Area.
- b. Recommendation to approve an **Ordinance** of the City of St. Charles, Kane And DuPage Counties, Illinois, Designating the Pheasant Run Redevelopment Project Area of said City A Redevelopment Project Area Pursuant to the Tax Increment

Allocation Redevelopment Act.

- c. Recommendation to approve an **Ordinance** of the City of St. Charles, Kane And DuPage Counties, Illinois, Adopting Tax Increment Allocation Financing for the Pheasant Run Redevelopment Project Area.

7. Public Comment

8. Additional Items from Mayor, Council or Staff

9. Executive Session

- Personnel – 5 ILCS 120/2(c)(1)
- Pending, Probable or Imminent Litigation – 5 ILCS 120/2(c)(11)
- Property Acquisition – 5 ILCS 120/2(c)(5)
- Collective Bargaining – 5 ILCS 120/2(c)(2)
- Review of Executive Session Minutes – 5 ILCS 120/2(c)(21)

10. Adjournment

ADA Compliance

Any individual with a disability requesting a reasonable accommodation in order to participate in a public meeting should contact the ADA Coordinator, Jennifer McMahon, at least 48 hours in advance of the scheduled meeting. The ADA Coordinator can be reached in person at 2 East Main Street, St. Charles, IL, via telephone at (630) 377 4446 or 800 526 0844 (TDD), or via e-mail at jmcmahon@stcharlesil.gov. Every effort will be made to allow for meeting participation. Notices of this meeting were posted consistent with the requirements of 5 ILCS 120/1 et seq. (Open Meetings Act).



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item Number: 4a

Title:

Recommendation to approve an Ordinance Amending Title 5 “Business Licenses and Regulations”, Chapter 5.08 “Alcoholic Beverages”, Sections 5.08.090 “License – Classifications” and 5.08.100 “License Fees” of the St. Charles Municipal Code.

Presenter:

Police Chief Keegan

Meeting: Government Operations Committee **Date:** January 17, 2023

Proposed Cost: \$

Budgeted Amount: \$

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

Please see the attached document for the proposed changes to the City of St. Charles City Code.

Before being presented to this Committee, this item was discussed at the Liquor Control Commission meeting at 4:30 pm on January 17, 2023. On Monday, February 6, 2023, the City Council will take a final vote on this item.

Attachments *(please list):*

Chief Keegan's Memo, Proposed Changes

Recommendation/Suggested Action *(briefly explain):*

Recommendation to approve an Ordinance Amending Title 5 “Business Licenses and Regulations”, Chapter 5.08 “Alcoholic Beverages”, Sections 5.08.090 “License – Classifications” and 5.08.100 “License Fees” of the St. Charles Municipal Code

Ordinance Revisions Requested for January 2023

5.08.090 – License - Classifications

D-8. Class D-8 licenses authorize the retail sale and consumption of alcoholic liquors at an arts, **crafts, cooking**, and entertainment studio, while the patron(s) are participating in an arts, crafts, **cooking**, or other classes that are offered by the **entertainment** licensee. The consumption of alcoholic liquors is restricted to the licensed premises and shall be limited to members of a group assembled on the premises for the purpose of attending an art, crafts, **cooking**, or other **entertainment** classes offered by an art studio, arts and crafts school, **cooking school**, or similar leisure/entertainment business while the licensee is conducting classes.

Partially consumed bottles of wine can be removed from the premises but only securely sealed by the licensee or an agent of the licensee prior to removal from the premises and placed in a transparent, one-time use, tamperproof bag and not for public distribution or consumption.

5.08.100 – License Fees; Late Night Permit Fees; Fees Established

D-8	\$1,200.00	Arts, Crafts, Cooking , & Entertainment License
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AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item Number: 4b

Title:

Recommendation to approve a Proposal for a D-8 Liquor License Application for Knead, LLC dba Fox Den Cooking Located at 131 S. First St., St. Charles.

Presenter:

Police Chief James Keegan

Meeting: Government Operations Committee

Date: January 17, 2023

Proposed Cost: \$

Budgeted Amount: \$

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

Knead dba Fox Den Cooking, located at 131 S. First St., is requesting approval of a D-8 liquor license application for their business as a cooking school.

A separate agenda item has been submitted to request a modification to the D-8 liquor license classification by adding a cooking school to accommodate this request.

Before being presented to this Committee, this item was discussed at the Liquor Control Commission meeting at 4:30 pm on January 17, 2023. On Monday, February 6, 2023, the City Council will take a final vote on this item.

Attachments *(please list):*

Liquor License

Recommendation/Suggested Action *(briefly explain):*

Recommendation to approve a proposal for a D-8 Liquor License application for Knead dba Fox Den Cooking School located at 131 S. First St., St. Charles.



Memo

Date: 1/9/2023

To: Mayor Lora Vitek-Liquor Commissioner

From: James Keegan, Chief of Police

Re: Background Investigation-Liquor Establishment/D-8 (Fox Den Cooking School)

The purpose of this memorandum is to document and forward to your attention the results of the background investigation conducted by members of the St. Charles Police Department concerning the above mentioned establishment.

This is a new business venture looking to capitalize on the culinary arts and entertainment industry by offering cooking classes with beer and wine sales. A detective was assigned this investigation and reviewed both the site location/floor plans and the corresponding application material. We found nothing of a derogatory nature that would preclude either the site location or the applicant from moving forward with on-site consumption.

Thank you in advance for your consideration in this matter.

LIQUOR APPLICANT BACKGROUND CHECK LIST



APPLICANT(S): Jessica Evans & Anthony Gargano

BUSINESS: Fox Den Cooking Classes

ADDRESS: 131 S. 1st St., St. Charles, IL 60174

	REQUESTED	COMPLETED
APPLICATION	_____	X
BUSINESS PLAN/FLOOR PLAN/MENU	_____	X
LEASE (OR LETTER OF INTENT)	_____	X
BASSET CERTIFICATE(S)	_____	X
FINGERPRINTS (<u>ALL</u> MANAGERS)	_____	X
DRAM SHOP (CERTIFICATE OF INSURANCE)	_____	X
TLO	_____	X
I-CLEAR	_____	X
CERTIFICATE OF NATURALIZATION (IF APPLICABLE)	_____	N/A
POLICE RECORDS CHECK	_____	X
APPLICANT'S HOMETOWN RESIDENCY LETTER	_____	X
ILLINOIS LIQUOR COMMISSION	_____	X
SITE VISIT	_____	X

* COMMENTS: _____

INVESTIGATOR ASSIGNED: Det. Nic Anson #356

SUPERVISOR REVIEW: *E. [Signature] # 37*



Memo

Date: 1/04/2023
To: Chief Keegan (via chain of command)
From: Detective Nicholas Anson #356
Re: Liquor License Background, Fox Den Cooking School, Knead LLC

The purpose of this memo is to outline steps taken during the background investigation for a liquor license application. This investigation was done based on the application submitted for Class D-8 for the business, Fox Den Cooking School, Knead LLC. This business is to be located at 131 S. 1st St., St. Charles, IL 60174.

Applicants:

Evans, Jessica

Gargano, Anthony T.

DOB: [REDACTED]

DOB: [REDACTED]

[REDACTED]

[REDACTED]

Geneva, IL 60134

South Elgin, IL 60177

Application:

The application was received on or around 12/22/2022. The application is complete to include a, signed lease, a menu, floor plan and a Certificate of Insurance (dram shop). Jessica Evans is listed as the General Manager and Anthony Gargano is listed as the Owner.

Records Checks:

Both applicants were fingerprinted. Responses from both the FBI and Illinois Bureau of Identification for Jessica Evans and Anthony Gargano showed nothing that would cause the license to be denied.

Jessica Evans advised that she has lived in Geneva for the past 10 years.

Anthony Gargano advised that he has lived in South Elgin for the past 10 years.

A check of Jessica Evans and Anthony Gargano through St. Charles, Kane County and the above listed jurisdiction's records showed no contacts that would preclude either of them from getting a liquor license.



A check of the Illinois Liquor Control Commission showed a current active license for the following restaurant:

Osteria Bigolaro, Geneva, IL (Pastative Vibes, LLC)

The above listed municipality was contacted and there was no record that would cause the license to be denied.

A check of TLO and I-Clear (law enforcement databases) showed no record that would cause the license to be denied.

A check of the Illinois Secretary of State showed both, Knead, LLC and Pastative Vibes, LLC to be in good standing.

Jessica Evans provided a copy of her valid BASSET Certification, which was also verified.

SITE VISIT and INTERVIEW WITH APPLICANTS:

On 1/4/2023, I went to the site and met with Anthony Gargano. The inside of the business was already operational. Anthony gave me a tour of the business. I found the business lay out to be very similar to the floor plan provided with the application. This location was previously Dolce Bakery and Cafe on which was a business that did not hold a liquor license. Anthony stated they are already operational with the cooking classes and looking to serve alcohol as soon as the liquor license is approved. Anthony advised that they currently have no alcohol on site other than a few bottles of wine used for cooking.

I asked Anthony about his connection to the Fox Den Cooking Classes and he stated that he is the owner. Anthony advised that he also is the owner of Osteria Bigolaro, an Italian restaurant in Geneva, which has a liquor license.

Anthony stated he has been in the restaurant business for some time and felt that St. Charles was a good market, especially the location on 1st Street. Anthony advised that this business is unique in that it offers cooking classes for patrons who get to learn a new skill and then enjoy the meal that they have prepared.

The business plan shows to have operational hours between 4:30 pm to 10:30 pm on Thursday and Friday and then 11:30 am through 10:30 pm on Saturday and Sunday. Each class usually runs about two hours long and has about 12 attendees per class.

This concludes this background investigation.

NJA #356

City of St. Charles, Illinois Liquor Control Commission
CITY RETAIL LIQUOR DEALER LICENSE APPLICATION



Incomplete applications will not be accepted.

Applications may be submitted to: 2 E. Main Street, St. Charles, IL 60174-1984

Business Name

APPLICATION CHECKLIST

Check Items to confirm all are attached to this application	Applicant	Office Use
Application Fee of \$200 (5.08.070C) non-refundable <small>Non-refundable</small>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Completed Application for all questions applicable to your business.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Copy of Lease/Proof of Ownership	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Copy of Dram Shop Insurance or a letter from insurance agent with a proposed quote.	<input type="checkbox"/>	<input checked="" type="checkbox"/> application
Copy of Articles of Corporation, if applicable.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Completed B.A.S.S.E.T. (Beverage Alcohol Sellers & Servers Training) form – filled out for all employees. A copy of the B.A.S.S.E.T. certificate is only needed for each manager. It is the business establishment's responsibility to keep copies of all B.A.S.S.E.T. certificates on file for all of their employees.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Copy of Site Plan for Establishment (Drawn to scale including the parking lot, patio and/or deck, outdoor seating).	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Copy of Floor Plan for Establishment (Drawn to scale and must include the layout of the establishment with tables, chairs, aisles, displays, cash register, bar, and lounge area with dimensions, percentage, and square footage noted for each space). Be sure to also include all fixed objects , such as pool tables, bar stools, vending/amusement machines; as well as all exits .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Copy of Business Plan, to include: <input type="checkbox"/> Hours of Operation <input type="checkbox"/> Copy of Menu <input type="checkbox"/> Whether or not live music will be played at this establishment <input type="checkbox"/> Will there be outdoor seating and/or outdoor designated smoking area <input type="checkbox"/> Do not include a marketing or financial plan with this business plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any building alterations planned for this site? If not sure, please contact Building & Code Enforcement at 630.377.4406 and/or Fire Prevention Bureau at 630.377.4458 to discuss whether or not a walk-thru and/or permit are necessary.	<input type="checkbox"/>	<input checked="" type="checkbox"/> None
All managers have been fingerprinted who are employed by your establishment. When new management is hired, it is imperative you contact the Mayor's office to be fingerprinted so the City's business files are appropriately updated.	<input type="checkbox"/>	<input type="checkbox"/>
Alcohol Tax Acknowledgement and Business Information Sheet	<input type="checkbox"/>	<input checked="" type="checkbox"/>

OFFICIAL USE ONLY

Def. J. J. J. #356
Signature of Investigating Officer

Badge Number & Rank 356

Approval Recommended*
Sam R.
Signature of Chief of Police

Approval NOT Recommended
1-9-23
Date

*ISSUANCE OF THIS LICENSE IS CONTINGENT ON MEETING ALL REQUIRED BUILDING AND FIRE DEPARTMENT REQUIREMENTS.

Date Application Received: 12-19-2022

LICENSE INFORMATION:

- A Package \$3200-3600 A1 A2 A4 A5 A6
- B Restaurant \$2400-3600 B1 B2 B3 Late Night Permit 1:00am \$800 (B/C only)
- C Tavern \$2400-3600 C1 C2 C1 Late Night Permit 2:00am \$2300 (B/C only)
- D Hotel/Banquet/Arcada/Q-Center/Entertainment/Club - \$varies D-Type B
- G Brewery/Restaurant or Site License - \$varies G1 G2
- H Catering License - \$varies H1 H2

*Initial Liquor License fees for A, B, C, D, G are reduced by 50% for annual renewals and licenses issued after Nov 1.
 *Licenses are valid until April 30 following issuance and a renewal application is required for the next year (May 1-April 30) (5.08.040)

APPLICANT INFORMATION

1. Type of Business: Individual Partnership Corporation Other (explain):

2. Business Name: KNERD, LLC DBA FOX DEN COOKING

3. Business Address: 131 S. FIRST STREET

4. Type of Business (5.08.070-3): <u>RESTAURANT</u>	5. Length of Time in this Business (5.08.070-4): <u>4 MONTHS</u>	6. Value of merchandise that normally will be in inventory when in operation (5.08.070-5): \$ <u>1,000</u>	
7. Business Phone: <u>(630) 228-9710</u>	8. Business E-mail: <u>info@foxdencooking.com</u>	9. Business Website: <u>www.foxdencooking.com</u>	10. Illinois Tax ID Number: <u>85-3268131</u>
11. Applicant/Contact Person Name: <u>JESSICA EVANS</u>		12. Title: <u>GENERAL MANAGER</u>	13. Email: 
14. Applicant Home Address, and all addresses for the last 10 years: <u>1240 Appieron Lane Geneva IL 60134</u>			
15. Ph #: <u>630-715-7397</u>	DL#: <u>E152-4208-2929</u>	16. Date of Birth: <u>11/19/1982</u>	17. Birthplace: <u>Lynchburg, IL</u>
18. If Corporation, Corporation Name:			
19. Corporation Address (city, state, zip code):			

ADDITIONAL OWNERS, INVESTORS (greater than 5% interest), and MANAGER INFORMATION

Full Name, include middle initial: ANTHONY T. GARZANO Title: OWNER

Birthdate:  Birthplace:  Driver's License#:  Home Phone: 

Home Address, and all addresses for the last 10 years: 
SOUTH ELGIN, IL 60177 Email Address: 

Full Name, include middle initial: _____ Title: _____
 Birthdate: _____ Birthplace: _____ Driver's License#: _____ Home Phone: _____
 Home Address, and all addresses for the last 10 years: _____ Email Address: _____

Full Name, include middle initial: _____ Title: _____
 Birthdate: _____ Birthplace: _____ Driver's License#: _____ Home Phone: _____
 Home Address, and all addresses for the last 10 years: _____ Email Address: _____

BUSINESS ESTABLISHMENT LOCATION INFORMATION

1. Exact Street Address for liquor license: 131 S 1 st Street St. Charles, ZL 60174	2. # Parking Spaces: 100+ parking spaces	3. Outside Dining s.f. [17.20.020-R]: 0	4. Total Building s.f.: 1300 sqft
5. Total # Seats: 20	6. Live Entertainment Area s.f. [5.08.010-H]: 0		

7. Brief Business Plan description based on type of establishment listed above (5.08.070-6):
 Evening Cooking School Serving Beer and Wine. Sale of closed Alcohol product to customers.

PROPOSED FLOOR PLAN/LAYOUT OF PROPERTY

Attach to this application a floorplan or layout of the proposed facility to include the following:

- Every application for Liquor license shall have attached thereto a site drawing of the proposed licensed premises, drawn to scale showing the following:
 - The location of all rooms, segregated areas, including outdoor seating areas and the square footage thereof;
 - The designated use of each room or segregated area (i.e. dining room, holding bar, service bar, kitchen, restrooms, outdoor seating areas, all rooms and segregated areas, including outdoor areas where alcoholic liquor may be served or consumed and all locations where live entertainment may be provided);
 - The proposed seating capacity of rooms or segregated areas where the public is permitted to consume food and/or alcoholic beverages and/or live entertainment may be provided.
- The site drawing is subject to the approval of the Local Liquor Control Commissioner. The Local Liquor Commissioner may impose such restrictions as he deems appropriate on any license by noting the same on the approved site drawing or as provided on the face of the license.
- A copy of the approved site drawing shall be attached to the approved license and is made a part of said license.
- It shall be unlawful for any licensee to operate and/or maintain the licensed premises in any manner inconsistent with the approved site drawing.

THE FIRE PREVENTION BUREAU WILL FURNISH ALL FINAL, PERMITTED OCCUPANCY NUMBERS FOR THIS LICENSE.

CORPORATION / PREMISES QUESTIONS

1.	<p>If applicant is an individual or partnership, is each and every person a United States citizen (5.08.070-2)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is any individual a naturalized citizen? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, print name(s), date(s), and place(s) of naturalization:</p>
2.	<p>Is the premises owned or leased (5.08.070-6A)? <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased</p>
3.	<p>If the premises are leased, list the names and addresses of all direct owners or owners of beneficial interests in any trusts, if premises are held in trust (5.08.070-6B):</p> <p>Name of Building Owner: front Street Development, LLC, Corcoran Commercial Address of Building Owner: 50 S 2nd Street St. Charles, MO 63104 Mailing Address of Building Owner (if different):</p> <p>Phone Number: 630-443-9375 E-mail Address: ryan@ccreil.com</p> <p>Name of Building Owner: Address of Building Owner: Mailing Address of Building Owner (if different):</p> <p>Name of Building Owner: Address of Building Owner: Mailing Address of Building Owner (if different):</p>
4.	<p>Does the applicant currently operate, or operated in the past, any other establishment within the City of St. Charles that requires a liquor license? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please list the business name(s) and address(es):</p>
5.	<p>Does applicant have any outstanding debt with the City of St. Charles, including, but not limited to, utility bills, alcohol tax, and permit fees, for any current or previous establishment owned, operated or managed by the applicant?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><i>If yes, please note the City of St. Charles requires all debt to be paid in full before consideration of a new or renewed liquor license is issued. (5.08.050)</i></p>
6.	<p>Are any improvements planned for the building and/or site that will require a building permit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, has a building permit been applied for? <input type="checkbox"/> Yes <input type="checkbox"/> No Date of permit application _____</p>
7.	<p>Has applicant applied for a similar or other license on the premises other than the one for which this license is sought (5.08.070-7)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, what was the disposition of the application? Explain as necessary:</p>

8.	<p>Has applicant (and all persons listed on page 2 of this application) ever been convicted of a felony under any Federal or State law, or convicted of a misdemeanor opposed to decency or morality (5.08.070-8)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Is applicant (and all persons listed on page 2 of this application) disqualified from receiving a liquor license by reason of any matter contained in Illinois State law and/or City of St. Charles Municipal Ordinances? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
9.	<p>List previous liquor licenses issued by any State Government or any subdivision thereof (5.08.070-9). Use additional paper if necessary.</p> <p>Government Unit: <u>CITY OF ST. CHARLES</u> Location, City/State: <u>131 S. 1ST ST. ST. CHARLES, IL</u></p> <p>Date: <u>DEC 2020</u> Special Explanations: <u>KNEAD</u></p> <p>Government Unit: _____ Location, City/State: _____</p> <p>Date: _____ Special Explanations: _____</p>
10.	<p>Have any liquor licenses possessed ever been revoked (5.08.070-9)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, list all reasons on a separate, signed letter accompanying this application.</p> <p>Has any director, officer, shareholder, or any of your managers, ever been denied liquor license from any jurisdiction? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, proceed to Question 15. If more space is needed, please attach a separate sheet of paper with the information.</p>
11.	<p>Complete ONLY if yes was answered to the question above (10):</p> <p>Name: _____ Name of Business: _____</p> <p>Position with the Business: _____ Date(s) of Denial: _____</p> <p>Reason(s) for Denial of License: _____</p>
12.	<p>Date of Incorporation (Illinois Corporations) (5.08.070-10): <u>10-1-2020</u></p> <p>Date qualified under Illinois Business Corporation Act to transact business in Illinois (Foreign Corporation): _____</p>
13.	<p>Has the applicant and all designated managers read and do they all understand and agree not to violate any laws of the United States, the State of Illinois, and any of the ordinances of the City of St. Charles in conducting business (5.08.070-11)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Have you, or in the case of a corporation, the local manager, or in the case of a partnership any of the partners, ever been convicted of any violation of any law pertaining to alcoholic liquor? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Have you, or in the case of a corporation the local manager, or in the case of a partnership any of the partners, ever been convicted of a felony? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Have you ever been convicted of a gambling offense? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (if a partnership or corporation, include all partners and the local manager(s).)</p> <p>Will you and all your employees refuse to serve or sell alcoholic liquor to an intoxicated person or to a minor? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

14. All individual owners, partners, officers, directors, and/or persons holding directly or beneficially more than five (5) percent in interest of the stock of owners by interest listed on page 2 of this application must be fingerprinted by the City of St. Charles Police Department (S.08.070-A12).
 Has this been done? Yes No
 If yes, date(s):

15. Has the applicant attached proof of Dram Shop Insurance to this application or already furnished it to the City of St. Charles (S.08.060)? Yes No
 If already furnished, date of delivery:

16. Is the premises within 100 feet of any real property of any church; school; hospital; home for the aged or indigent persons; home for veterans, their wives/husbands, or children; and/or any military or naval station (S.08.230)?
 Yes No

B.A.S.S.E.T. TRAINING

Please list employees required to have B.A.S.S.E.T training on this page – include all managers, assistant managers, bartenders, and clerks who are permitted to make alcoholic liquor sales. Include copies of certificates for managers only and mark Manager if applicable. Add another page, if needed.

Name (First, Middle, Last): *Jessica Evans* Birthdate: [REDACTED]
 Home Street Address, Incl City, State, Zip: [REDACTED] *Geneva, IL 60134*
 Date of Course: *11/18/2022* Place Course was Taken: *online* Certificate Granted? Y/N Expiration: *11/18/2025*

Name (First, Middle, Last): Birthdate:
 Home Street Address, Incl City, State, Zip:
 Date of Course: Place Course was Taken: Certificate Granted? Y/N Expiration:

Name (First, Middle, Last): Birthdate:
 Home Street Address, Incl City, State, Zip:
 Date of Course: Place Course was Taken: Certificate Granted? Y/N Expiration:

Name (First, Middle, Last): Birthdate:
 Home Street Address, Incl City, State, Zip:
 Date of Course: Place Course was Taken: Certificate Granted? Y/N Expiration:

NEW MANAGEMENT REQUIREMENTS
 Whenever a new manager comes on board, the City must be notified and that person must be fingerprinted.
 It is the business establishment's responsibility to keep copies of all B.A.S.S.E.T. certificates on file for their employees.

COMMENTS/ADDITIONAL INFORMATION

Business Name:

SIGNATURES

J. S. Gill
Applicant's Signature

Subscribed and sworn before me this 19th day of December, 2022



Anne E. Healy
Notary Public

ADDENDUM TO RETAIL LIQUOR LICENSE APPLICATION

To be completed by the City of St. Charles Police Department

Date: 1/4/2023 Name of Applicant: Jessica Evans; Anthony Gargano

Name of Business: Fox Den Cooking Classes

Address of Business: 131 S 1st St, St Charles, IL 60174 Ward Number: 4

Pursuant to the provision of the City of St. Charles Municipal Code, Chapter 5.08, Alcoholic Beverages, the following guide shall be in effect for the investigation of an applicant for a Retail Dealer's Liquor License:

1. Date on which applicant will begin selling retail alcoholic liquors at this location:
As soon as possible
2. Is the location within 100 feet of any church; school; hospital; home for the aged or indigent persons; home for veterans, their wives/husbands or children; or any military or naval station? Yes No
3. If the answer to question 2 is yes, answer the following: Is applicant's place of business a hotel offering restaurant service, a regularly organized club, a restaurant, a food shop, or other place where the sale of alcoholic liquors is not the principal business? Yes No

If yes, answer a, b and c:
a. State the kind of such business:
b. Give date on which applicant began the kind of business named at this location:
c. Has the kind of business designated been established at this location for such purpose prior to February 1, 1934, and carried on continuously since such time by either the applicant or any other person?
 Yes No
4. If premises for which an alcoholic liquor license is herein applied for are within 100 feet of a church, have such premises been licensed for the sale of alcoholic liquor at retail prior to the establishment of such church? Yes No

If yes, have the premises been continuously operated and licensed for the sale of alcoholic liquor at retail since the original alcoholic liquor license was issued therefore? Yes No

5.	Is the place for which the alcoholic liquor license is sought a dwelling house, flat, or apartment used for residential purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6.	Is there any access leading from premises to any other portion of the same building or structure used for dwelling or lodging purposes and which is permitted to be used or kept accessible for use by the public? (Connection between premises and such other portion of building or structure as is used only by the applicant, his/her family and personal guests not prohibited.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7.	If applicant conducts or will conduct in the same place any other class of business in addition to that of City Retailer of Alcoholic Liquor, state the kind and nature of such business: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
8.	Are all rooms where liquor will be sold for consumption on the premises continuously lighted during business hours by natural light or artificial white light so that all parts of the interior shall be clearly visible? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9.	Are premises located in any building belonging to or under the control of the State of Illinois or any other political subdivision thereof, such as county, city, etc.? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
10.	Are the premises for which license is herein applied for a store or place of business where the majority of customers are minors of school age or where the principal business transacted consists of school books, school supplies, food or drinks for such minors? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
11.	It is required by the City of St. Charles that all employees undergo BASSET training. Provide a copy of the certificate of training completion for each manager. All certificates for managers have been submitted: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12.	From your observation and investigation, has applicant—to the best of your knowledge—truthfully answered all questions? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, state exceptions:
13.	Have all persons named in this application been fingerprinted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Fingerprinted by: <i>Investigations</i> Date: <i>12/21/22 ; 12/22/22</i>
14.	Other necessary data:

**City of St. Charles
ALCOHOL TAX
BUSINESS INFORMATION SHEET**

As a new business serving or selling alcohol in the City of St. Charles, the following information must be provided to assist with the processing of your monthly Alcohol Tax returns.

BUSINESS CONTACT INFORMATION

Corporate name: *KNEAD, LLC*

DBA: *FOX DEN COOKING*

Phone: *630-715-7399*

Fax: _____ E-mail: _____

Address: *131 S 1st Street*

City: *St. Charles*

State: *IL*

ZIP Code: *60174*

Expected date of business opening (Required): *January 10th 2023*

TAX PREPARER INFORMATION

Name of Tax Preparer: *John Pieranunzi & Associates*

Phone: *630-691-1040*

Fax: _____

E-mail: *Staff@PieranunziCPA.com*

This completed form must be submitted with your liquor license application and "Acknowledgement of City Alcohol Tax" to the City of St. Charles Administration Office.

ACKNOWLEDGEMENT OF ALCOHOL TAX

By signing below, I acknowledge that I have received the updated information on the City's alcohol tax. I understand that it is my responsibility to collect said tax on any alcohol sales effective immediately. It is also my responsibility to remit said taxes to the City by the due dates specified in the alcohol tax ordinance. I understand that any violation of the alcohol tax ordinance can result in the imposition of fines, penalties, or sanctions including suspension or revocation of the liquor license granted by the City of St. Charles. **The tax rate on alcohol sales will be changed to 3% of the purchase price effective September 1, 2018. Please apply the tax at a rate of 3% on all alcohol sales at your establishment beginning on September 1, 2018.**

Name Jessica Evans

Title General Manager

Business Name KNEAD, LLC

Address 131 S 1st Street St. Charles IL 60174


Signature

12/6/22
Date

Please return the signed acknowledgement form to the City of St. Charles Administration Office .



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/21/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Valentine Insurance Agency, Inc. 1331 Dundee Ave. Elgin IL 60120		CONTACT NAME: Paul Glenton PHONE (A/C, No, Ext): (847) 741-0083 E-MAIL ADDRESS: Paul@Valentineinsurance.net		FAX (A/C, No): (847) 741-2229	
INSURED Knead LLC 131 S 1st St Saint Charles IL 60174		INSURER(S) AFFORDING COVERAGE INSURER A: SPRISKA/Special Insurance Svcs, Inc			NAIC #
		INSURER B:			
		INSURER C:			
		INSURER D:			
		INSURER E:			
		INSURER F:			

COVERAGES **CERTIFICATE NUMBER:** Master 22-23 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			CPP1030593	12/20/2022	12/20/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 1,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OPAGG \$ 2,000,000 Employee Benefits \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	N/A			PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Liquor liability			CPP1030593	12/20/2022	12/20/2023	Each common cause \$1,000,000 Aggregate \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER City of St. Charles 2 E. Main Street St. Charles IL 60174	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	--

Form **LLC-5.5**

**Illinois
Limited Liability Company Act
Articles of Organization**

FILE # 09300058

Secretary of State Jesse White
Department of Business Services
Limited Liability Division
www.cyberdriveillinois.com

Filing Fee: \$150

Approved By: RAV

**FILED
SEP 25 2020
Jesse White
Secretary of State**

1. **Limited Liability Company Name:** KNEAD LLC

2. **Address of Principal Place of Business where records of the company will be kept:**

131 S 1ST STREET

ST. CHARLES, IL 60174

3. The Limited Liability Company has one or more members on the filing date.

4. **Registered Agent's Name and Registered Office Address:**

PATRICK DEVINE
7525 W IRVING PARK RD
CHICAGO, IL 60634-2103

5. **Purpose for which the Limited Liability Company is organized:**

"The transaction of any or all lawful business for which Limited Liability Companies may be organized under this Act."

6. The LLC is to have perpetual existence.

7. **Name and business addresses of all the managers and any member having the authority of manager:**

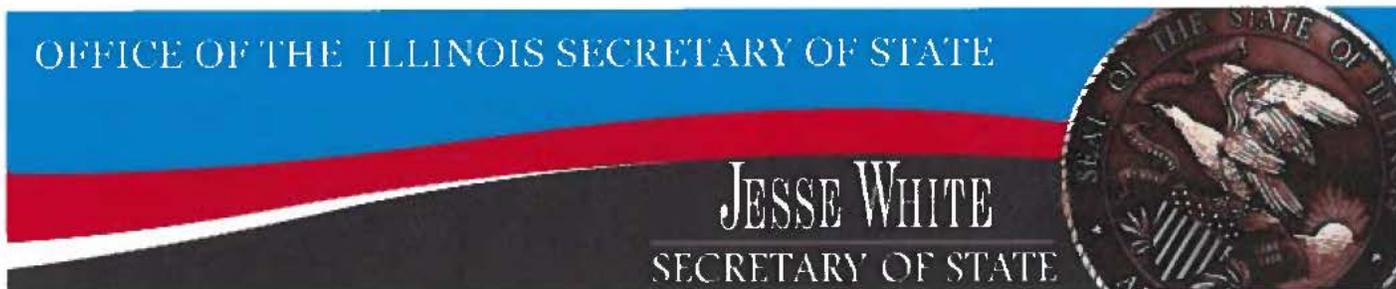
GARGANO, ANTHONY
300 DIVISION ST.
S. ELGIN, IL 60177

8. **Name and Address of Organizer**

I affirm, under penalties of perjury, having authority to sign hereto, that these Articles of Organization are to the best of my knowledge and belief, true, correct and complete.

Dated: SEPTEMBER 25, 2020

ANTHONY GARGANO
300 DIVISION ST.
S. ELGIN, IL 60177



LLC Articles of Organization

Receipt page

Please print this receipt for your records.

Your application to file limited liability company Articles of Organization has been received and payment processed.

You can check the status of your submission at by using the Packet and Authorization Numbers provided below. If you experience any difficulty in obtaining the status of your application, please contact the Web Master at webmaster@ilsos.gov.

Proposed Name:	KNEAD LLC
Packet Number:	1600276189359251
Authorization Number:	20959703
Payment Date:	September 16, 2020
Total Fee:	\$153.38
Payment Type:	CREDIT CARD

[BACK TO CYBERDRIVEILLINOIS.COM HOME PAGE](https://cyberdriveillinois.com/home)

Knead LLC

OFFICE OF THE ILLINOIS SECRETARY OF STATE

JESSE WHITE
SECRETARY OF STATE

LLC Articles of Organization Filings

Status

You can check the status of your submission by using your Packet Number

Packet Number

1600276189359251

Your document has been received and is currently in the review process. Please allow 10 business days for processing.



EVERY DOCUMENT RECEIVED IS FILED SEPARATELY

* ✓ NEXT WEEK 09/22/2020 *

9/16/2020

M R FERBER
7525 W IRVING PARK RD
CHICAGO, IL 60634
773-589-0692

M R FERBER

Date: 09/16/2020 12:50:22 PM

CREDIT CARD SALE

VISA
CARD NUMBER: *****6891 K

TOTAL AMOUNT: \$45.00

APPROVAL CD: 025013
RECORD #: 000
CLERK ID: akalish
CUST CODE: Knead LLC
SALES TAX: \$0.00
INVOICE #: LLC Articles of Incorp

Thank you!

Customer Copy

CLASSES IDEAS

RE-VAMP CLASS SCHEDULES FOR OPTIMAL ATTENDANCE

HOURS

Thursday 4:30-10:30 pm

Friday 4:30-10:30 pm

Saturday 11:30-10:30 pm

Sunday 11:30-10:30 pm

*CLASS OPTIONS AVAILABLE AT
FOXDENCOOKING.COM

MAKE NEW MARKETING PLAN: SEO
CONSTRUCTION, WORK ON
WEBSITE, SOCIAL MEDIA
PRESENCE

No live music

No outdoor seating

No outdoor smoking



BUSINESS PLAN

Focus Den

Cooking Classes

Objectives and Action
Plans for Cooking
Classes and Liquor
Consumption

2 DECEMBER 2022



Prepared by:

Ashley Keller

OPTIONAL ADD-ONS

Addition of Alcohol sales

Knead, llc. to complete Bassett certification- Complete

Bassett certified employee to be on-site during alcohol consumption

Beer and wine sales during cooking class hours

optional additional alcohol sales outside of class hours

THE "FUN STUFF"

ESTIMATED CLASS INCOME

4 CLASSES PER WEEK WITH 12
ATTENDEES PER CLASS

TICKET COST: \$65 PER ADULT
CLASS

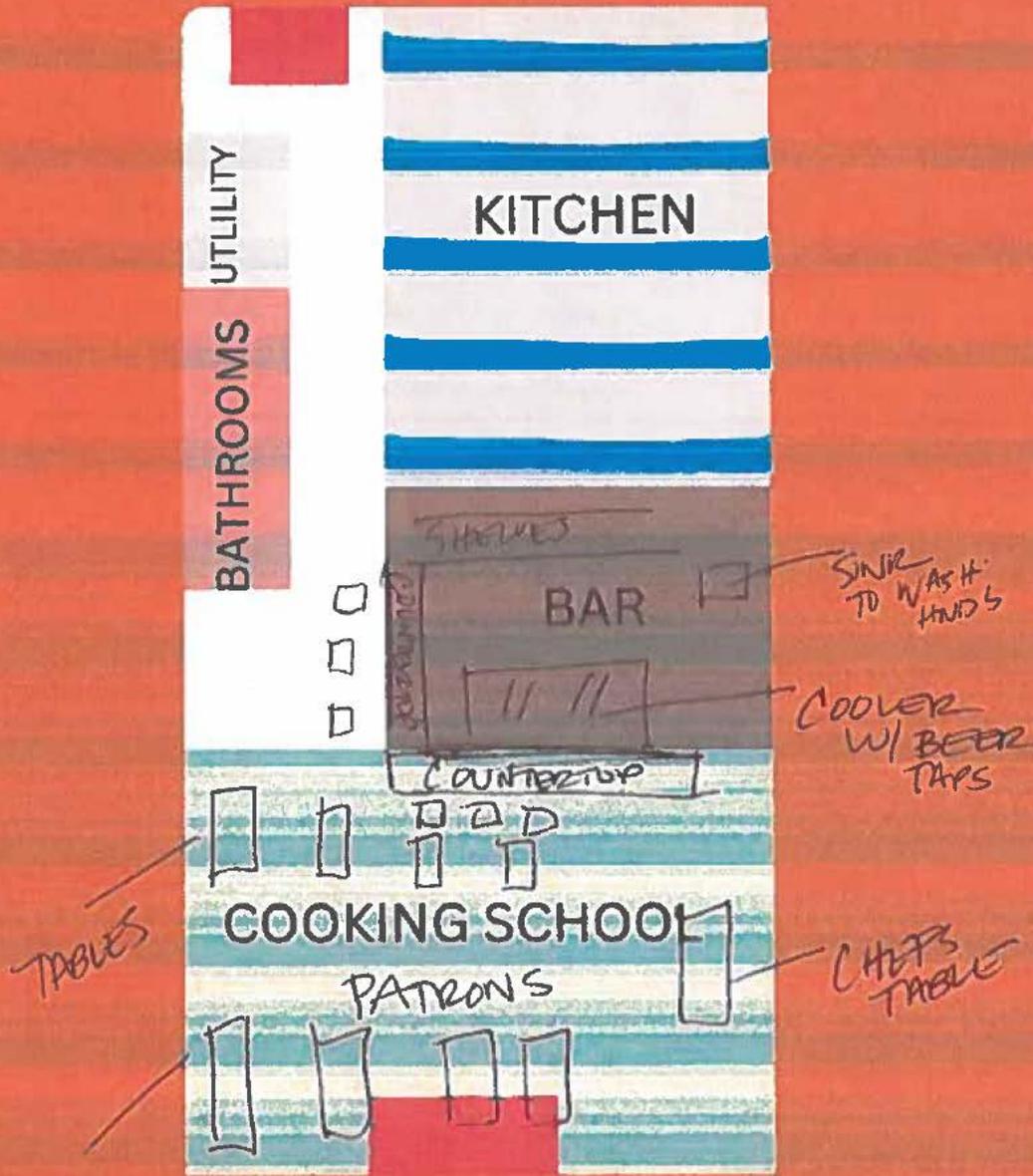
\$3120 PER WEEK
\$12,480 PER MONTH

ESTIMATED ALCOHOL SALES:

COST OF BEER: ~ \$6
COST OF WINE: ~ 8

ESTIMATED: \$1000 PER MONTH IN
ALCOHOL SALES

FLOOR PLAN



131 S 1ST STREET
ST. CHARLES

Application ID: CPP1030593

POLICY APPLICATION- COMMERCIAL PACKAGE POLICY-IL

First Named Insured: KNEAD LLC DBA FOX DEN COOKING CLASSES 300 DIVISION ST SOUTH ELGIN, IL 60177 Work: (224) 489-3521	Additional Named Insured(s):	Producer: Valentine Insurance Agency, Inc. 1331 Dundee Ave Elgin, IL 60120 Work: (847) 741-0083 Fax: (847) 741-2229
---	-------------------------------------	---

Proposed Term Effective Date: 12/13/2022, 12:01AM Standard Time (at the address of the Named Insured)	Proposed Term Expiration Date: 12/13/2023, 12:01AM Standard Time (at the address of the Named Insured)	Legal Entity Type: Limited Liability Company
--	---	--

COVERAGE PARTS

Property General Liability Liquor Liability

Complete Description of Operations

Patrons arrive at school. Tony (insured) shows them how to cook a meal and the customers eat the meal. Insured has owned and operated Osteria Bigolarao for 7 years.

GENERAL INFORMATION

Has applicant had a judgment or lien during the past 5 years? Yes No
If Yes, provide date and details

Has applicant had a foreclosure, repossession, bankruptcy or filed for bankruptcy during the last five years? Yes No
If Yes, provide date and details

During the last 5 years, has any applicant been indicted for or convicted of any degree of the crime of fraud, bribery, arson or any other arson-related crime in connection with this or any other property? Yes No
If Yes, provide date and details

CLAIMS INFORMATION

Prior Claims in the Past 3 Years:

Loss Date	Loss Type	Loss Description	Insurance Co.	Loss Amt

LOCATION INFORMATION

Location	Address	City/State/Zip	Description Occupancy
Loc 1 Bldg 1	131 South 1st Street	Saint Charles IL 60174	Cooking Classes/Food

BUILDING UNDERWRITING INFORMATION:

Location # Building #, Building Description:

Year of Construction: **No of Stories:** **Total Sq. Ft.** **County:**

Building Classification: **Protection Class:**

Construction Type: **Occ Type:**

Is the building currently undergoing renovations, or are renovations planned in next year? _____
 If yes, provide description:

Underwriting Information:

Any uncorrected fire and/or safety code violations? Yes No
 If Yes, describe

If you have a sprinkler system, is the system inspected and serviced by a qualified contractor at least annually? Yes No

Date Last Serviced: _____ Frequency of Service: _____

Name of Service Provider: _____

Applicant acknowledges that a loss control inspection may be conducted by a company representative for each location for which coverage is being applied. Yes No

Is there commercial cooking on premises? Yes No
 If Yes, please enter number and type of cooking equipment details

If there is cooking which emits grease laden vapors on premises, are all hoods and ducts under a maintenance agreement for cleaning by a qualified contractor? Yes No
 If Yes, provide name of contractor, date last serviced

Are all cooking surfaces protected by a UL300 compliant automatic extinguishing system? Yes No
 If Yes, provide name of contractor, date last serviced

Is the building currently vacant? If Yes, provide date and details Yes No

Are there marijuana operations on the premises? If Yes, describe

Yes No

General Liability Coverage Part

Basic Coverages

	<u>Limits</u>	<u>Deductible</u>	<u>Premium</u>
Bodily Injury and Property Damage Liability Each Occurrence	\$1,000,000	\$0	\$848
Personal and Advertising Injury Liability	\$1,000,000		
Medical Payments	\$1,000		
Fire Legal Liability	\$50,000		
General Aggregate Limit	\$2,000,000		
Products/Completed Work Aggregate	\$2,000,000		

Optional Coverages

Products/Completed Work Hazard - Expanded Definition	<p>Description of Premises: Location 1, Building 1</p> <p>Description of Operations: Cooking Classes</p>
--	--

General Liability Rating Information Schedule

<u>Class Code</u>	<u>Description</u>	<u>Rating Basis</u>	<u>Exposure</u>	<u>Premium</u>
20585	Restaurants – With sale of alcoholic beverages that are 30% or more or but less than 75% of the total annual receipts of the restaurants – Without dance floor – 20585	Sales Amount	110,000	
	Products/Completed Operations Occurrence		110,000	



401 W. Fayette Ave
Springfield, IL 62704
1-800-252-2907
www.spriska.com

General Liability Additional Insureds

Landlord

FIRST STREET DEVELOPMENT LLC
423 SOUTH 2ND STREET
Saint Charles, IL 60174

Liquor Liability Coverage Part

<u>Coverages</u>	<u>Limits</u>	<u>Premium</u>
Liquor Liability Each Common Cause	\$1,000,000	\$ 68
Liquor Liability Aggregate Limit	\$1,000,000	\$ 0

Liquor Liability Rating Information Schedule

<u>COVERED LOCATIONS</u> (Only those specific locations listed below have Liquor Liability Coverage)				<u>Receipts</u>
Loc 1 Bldg 1	131 South 1st Street	Saint Charles IL 60174	7111-Restaurant - receipts from alcohol < 40%	\$10,000

PREMIUM SUMMARY

Description of Coverage Part	Premium
General Liability Coverage Part	\$886.00
Liquor Liability Coverage Part	\$475.00
Total Estimated Premium:	\$1,361.00
Policy Fee:	\$50.00
Estimated Taxes & Fees Sub-total:	\$60.00
Total Premium + Taxes & Fees:	\$1,411.00

SUPPLEMENTAL APPLICATIONS

General Application

Complete description of operations

Patrons arrive at school. Tony (insured) shows them how to cook a meal and the customers eat the meal. Insured has owned and operated Osteria Bigolarao for 7 years.

Number of Years in Business? 2

If three years or less describe relevant prior experience of owners and/or management

7 years owning a restaurant

Is application currently insured? Yes No If No, What is the reason?

Cancelled Coverage

Has Any insurance coverage been cancelled, refused, or non-renewed in the last five years? No

If Yes, What is the reason?

General Liability Application

Does the Applicant draw plan design, or specifications for others? Yes No

Do any operations include excavation, tunneling, underground work or earth moving? Yes No

Does application manufacture any products or component parts used for any other product? Yes No

If Yes, describe product and use

Are products of others sold or re-packaged and relabeled by applicant? Yes No

If Yes, describe product and use

Has applicant been active or currently active in joint ventures? Yes No

Do you lease employees to or from other employers? Yes No

Hospitality Supplement

Receipts for last 12 months or projected if new in business

Alcohol 10,000

Food 100,000

Other-please describe 0

Total 110,000

Latest closing time

Weekend 10:00 PM

Weekday 10:00 PM

Have there been any police calls to the premises in the last three years which resulted in a police report being made or an arrest? Yes No

If Yes, provide date of occurrence, reason for call and details

Do you contract out any security, crowd control, bouncers, or ID checkers? _____

If Yes, do you require them to provide you with evidence of insurance naming you as additional insured on their general liability policy? Yes No

Is there a dance floor on premises? Yes No

Do you provide table service? No

Do you have firearms on premises, or any other weapons? No

Do you sponsor or participate in any community or social events outside of the premises? No

If Yes, provide number of times annually, name of event(s) and describe your activities

Has any city, country, state public health, or similar organization assessed any violations, fines, or shut down your operations in the last three years? Yes No

If Yes, provide details

Is there live entertainment on the premises? No

If Yes, describe type and frequency

Other Entertainment

DJ? Yes No

If Yes, number of times per month

Mechanical bull? Yes No

Karaoke? Yes No

Pool Tables? Yes No

If Yes, number of tables _____

Slot or video poker machines? Yes No

If Yes, number of machines _____

Axe throwing? Yes No

Describe any other entertainment

Are all employees that served alcohol required to complete an alcohol intoxication awareness program? _____

Has your liquor license been suspended or revoked in the last five years? Yes No

If Yes, provide details, date of occurrence(s), reason for suspension or revocation

Has any government entity or licensing authority issued any violation, or fine for any actual or alleged breach of any law or regulation governing the sale or service of an alcoholic liquor? Yes No

If Yes, provide details, date of occurrence, law or regulation breach cited and disposition

POLICY IS SUBJECT TO THE FOLLOWING FORMS AND ENDORSEMENTS:

CL-300 1.0	AMENDATORY ENDORSEMENT
CL-0120 11 17	AMENDATORY ENDORSEMENT ILLINOIS
CL-0605 01 21	CERTIFIED TERRORISM LOSS DISCLOSURE OF PREMIUM AND FEDERAL SHARE OF INSURED LOSSES
CL 0678 02 11	CIVIL UNION AMENDMENT - ILLINOIS
CL-0811 09 18	CANNABIS ITEMS AND ACTIVITIES EXCLUSION
CL-1045 01 21	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
GL-130 1.0	PRODUCTS/COMPLETED WORK EXPANDED DEFINITION
GL-200 01 16	COMMERCIAL GENERAL LIABILITY COVERAGE (BROAD FORM)
GL-224 1.0	LIABILITY COVERAGE DESIGNATED PREMISES
GL-853 2.2	EXCLUSION ABUSE OR MOLESTATION
GL-890 1.0	LEAD LIABILITY EXCLUSION
GL-894 1.1	PUNITIVE DAMAGES EXCLUSION ILLINOIS
GL-914 1.0	LIMITED LIABILITY COMPANY
GL-0109 05 88	ADDITIONAL INSURED LANDLORD
GL-0163 01 08	EXCLUSION WAR AND MILITARY ACTION
GL-0187 06 21	CYBER LOSS EXCLUSION
GL-0209 10 05	ASBESTOS EXCLUSION
GL-0215 10 05	SILICA EXCLUSION
GL-0250 01 15	CERTIFIED TERRORISM LOSS
GL-0348 06 02	EXCLUSION WET ROT, DRY ROT, BACTERIA, FUNGI OR PROTISTS
GL-0439 10 08	AMENDATORY ENDORSEMENT ILLINOIS
GL-0908 10 08	POLLUTION EXCLUSION EXCEPTION
GL-0940 07 09	AMENDATORY ENDORSEMENT DEFENSE COSTS REIMBURSEMENT ILLINOIS
GL-0950 05 00	KNOWN INJURY OR DAMAGE AMENDMENTS
GL-0966 08 00	EXCLUSION – INSPECTION, APPRAISAL, AND SURVEY COMPANIES
GL 1020 09 09	OTHER INSURANCE AMENDMENT
GL-1022 09 09	INFORMATION DISTRIBUTION AND RECORDING VIOLATIONS EXCLUSIONS
GL-1023 12 09	EXCLUSION COMMUNICABLE DISEASE
GL-1353 09 14	EXCLUSION DATA BREACH LIABILITY
GL-2280 06 04	NUCLEAR, BIOLOGICAL AND CHEMICAL TERRORISM EXCLUSION
LL-610 03 21	ILLINOIS LIQUOR LIABILITY COVERAGE
LL-625 10 11	ILLINOIS DEFENSE COSTS REIMBURSEMENT
SPR-100 03 12	POLICYHOLDER NOTICE OF CONSUMER COMPLAINTS
SPR 0215 09 21	BIOMETRIC PRIVACY INFORMATION EXCLUSION

FRAUD WARNING-Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material there to, commits a fraudulent insurance act, which may be a crime

APPLICANT'S ACKNOWLEDGEMENT: The undersigned is an authorized representative of the applicant, and declare, to the best of my knowledge and belief that all the statements and answers in this application are true and complete, and are being made as an inducement to the company to issue the policy for which this application is being made.

PRODUCER SIGNATURE
X

INSURED SIGNATURE
X

**THE PLAZA CENTER
LEASE**

**First Street
Saint Charles, Illinois 60174**

Between

First Street Development LLC, an Illinois limited liability company

as Landlord

and

Anthony Gargano, d/b/a Knead Urban Eatery

as Tenant

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**THE PLAZA CENTER
LEASE**

This Lease is made as of 8 day of September, 2020 (the "Effective Date") by and between First Street Development, LLC, an Illinois limited liability company as landlord ("Landlord"), and the Anthony Gargano, d/b/a Knead Urban Eatery ("Tenant").

RECITALS:

A. Landlord is the owner of a parcel of land legally described on Exhibit A attached hereto and made a part hereof, together with all easements, tenements, hereditaments, rights, privileges, servitudes and appurtenances thereunto appertaining, including, without limitation, all right, title and interest of Landlord, if any, in and to the streets, alleys and rights of way adjacent thereto (collectively, the "Land").

B. Landlord has constructed a commercial center on the Land generally described as The Plaza Building, St Charles Illinois 60174, containing approximately 53,352 Rentable Square Feet of Floor Area, as hereinafter defined, in the aggregate (the "Building") and all other exterior site improvements necessary for the use of the Project, as hereinafter defined, including without limitation, driveways, parking areas, walkways, landscaping and lighting facilities and improvements (collectively the "Improvements").

C. The Land, the Building and all other Improvements and personal property of Landlord in connection with the operation and maintenance thereof located therein and thereon are at times hereinafter collectively referred to as the "Project".

D. Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, a part of Unit PL 416 in the Project commonly known as 131 South First Street, St. Charles Illinois 60174 shown and designated on the floor plan attached hereto and made a part hereof as Exhibit B consisting of approximately 1,350 square feet of rentable space in the Premises ("the Rentable Square Feet of Floor Area") as improved by Tenant's 's Work (Exhibit C) attached hereto and made a part hereof together with all rights and privileges thereunto appertaining (collectively, the "Premises"), on the following terms set forth herein. The Premises are leased to the Tenant "AS-IS" without warranty of merchantability or fitness for particular purpose.

NOW, THEREFORE, for and in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **RECITALS.** The foregoing recitals are incorporated herein by reference and made a part hereof.
2. **DEMISE.** Landlord hereby leases the Premises to Tenant and grants to Tenant exclusive possession thereof, and Tenant leases the Premises from Landlord, upon the terms and conditions set forth herein. In addition, Tenant shall have the nonexclusive right, in common with other tenants and occupants of the Project, to use the public areas of the Building for the purposes for which constructed.

3. **TERM.**

(a) **Initial Term.** The initial term of this Lease (the "Initial Lease Term") will be three (3) years unless extended or sooner terminated pursuant to any provision hereof, commencing on the Commencement Date (as hereinafter defined). The "Term" shall mean the Initial Lease Term. The "Commencement Date" of the Initial Lease Term will be September 15, 2020. This Lease will be in full force and effect on the Effective Date. The "Expiration Date" shall mean the last day of the last Lease Year of any Term.

(b) **Extension Periods.** Tenant will have the right to extend the Lease Term for one (1) additional period. The first extension period (the "First Extension Period") will commence at the conclusion of the Initial Lease Term and will run for a period of five (5) years. The First Extension Period is referred to herein as the "Extension Period". "Lease Term" shall mean the Initial Lease Term and any exercised Extension Period. The Extension Period will be subject to the same terms and conditions of the Lease, except that Minimum Rent during the Extension Period shall be calculated in accordance with Section 4(c) hereof. As a condition precedent to Tenant's right to extend the Lease Term, there may not be at the time of the exercise an uncured default (beyond applicable notice and cure periods) hereunder by Tenant. If Tenant desires to exercise the right to extend for the First Extension Period, Tenant must exercise its right to extend by giving written notice of such to Landlord at least two hundred seventy (270) days before the end of the then current Initial Lease Term. If Tenant fails to exercise this option during the period when said option is available, or if this Lease is no longer in full force and effect for any reason, this right to extend shall be void. If Tenant fails to exercise its right to extend as aforesaid at least one hundred eighty (180) days before the end of the then current Initial Lease Term or the First Extension Period as the case may, Tenant shall have no further option to extend the Term of this Lease.

(c) **Possession Date.** Tenant shall receive possession of the premises on the Effective Date.

4. **RENT.**

(a) **Calculation of Minimum Rent.** Tenant will pay to Landlord as consideration (the "Minimum Rent") for the use and occupancy of the Premises the amounts expressed in this Section 4. Tenant will pay the Minimum Rent to Landlord in advance and without demand, in equal monthly installments on the first day of each month of the Lease Term, commencing on the March 15, 2020. Minimum Rent for any partial month will not be prorated if the Commencement Date is on a date other than the first day of a calendar month. All payments of rent will be in lawful money of the United States delivered to Landlord at the address stated herein or to such other persons or at such other places as Landlord may designate by written notice. For the purposes hereof, the term "Lease Year" shall mean, in case of the first Lease Year, that period from the Commencement Date to the first succeeding December 31; thereafter, "Lease Year" shall mean each successive twelve (12) month period following the expiration of the first Lease Year, except that in the event of the termination of this Lease on any day other than on December 31, then the last Lease Year shall be the period from the end of the preceding Lease Year to such date of termination.

(b) **Initial Term Minimum Rent.** Except as otherwise provided in Section 4(a), Tenant will pay to Landlord during the Initial Lease Term Minimum Rent as follows:

<u>PERIOD</u> <u>MONTHLY</u>	<u>RENT PER</u> <u>SQUARE FOOT</u>	<u>ANNUAL</u>	<u>MONTHLY</u>
Month 1 through Month 6	-0-	-0-	-0-
Month 7 through Month 12	\$24.00	\$32,400.00	\$2,700.00
Month 13 through Month 24	\$24.72	\$33,372.00	\$2,781.00
Month 25 through Month 36	\$25.46	\$34,371.00	\$2,864.25

(c) **Minimum Rent Extension Period** Minimum Rent shall increase in the Extension Period provided for herein by three percent (3.0%) per Rentable Square Foot of Floor Area in excess of the Minimum Rent per square foot for the immediate prior Lease Year.

(d) **Calculation Rentable Square Feet of Floor Area** The Rentable Square Feet of Floor Area of the Premises was determined by measuring the floors of the Premises to the outside finished surface of the permanent outer Premises walls and to the center of partitions that separate the Premises from adjoining usable areas. The parties hereby stipulate and agree that the Rentable Square Feet of Floor Area of the Premises of the Premises is 1350 square feet.

5. **ADDITIONAL RENT.** For each Lease Year beginning on the Commencement Date, Tenant shall pay, as "Additional Rent", Tenant's Pro Rata Share (as hereinafter defined) of Operating Expenses (as hereinafter defined) and Tenant's Pro Rata Share of Real Property Taxes (as hereinafter defined) All amounts required or provided to be paid by Tenant under this Lease in addition to Minimum Rent shall be deemed rent, and the failure to pay the same shall be treated in all events as the failure to pay rent.

Tenant shall pay Additional Rent to Landlord commencing on the third month following the Commencement Date.

(a) **Taxes.** Landlord shall pay all real estate taxes and assessments, both general and special, sewer rents, rates and charges, transit taxes, taxes based upon the receipt of rent, and any other federal, state or local governmental charge, general, special, ordinary or extraordinary (but not including income or franchise taxes, capital stock, inheritance, estate, gift or any other taxes imposed upon or measured by the Landlord's income or profits, unless the same shall be imposed in lieu of real estate or other ad valorem taxes) which may now or hereafter be levied, assessed or imposed against the Center or the Land or both and are due and payable during the Term of this Lease (collectively, the "Taxes"). Taxes shall also include the amount of (i) any gross receipts tax, sales tax or similar tax (but excluding therefrom any income tax) payable, or which will be payable by Landlord, by reason of the receipt of the monthly base rent and adjustments thereto; (ii) any other tax, assessment, levy, imposition or charge or any part thereof imposed upon Landlord in place of or partly in place of any of the foregoing Taxes and measured by or based in whole or in part upon the Land or the Center or the rents or other income therefrom to the extent that such items would be payable if the Land or the Center were the only property of Landlord subject thereto and the income received by Landlord from the Land or Center were the only income of Landlord); and (iii) any personal property taxes (attributable to the calendar year in which paid) imposed upon the furniture, fixtures, machinery, equipment, apparatus, systems and appurtenances used in connection with the Land or the Center or the operation thereof.

Tenant will, commencing on the Additional Rent Commencement Date pay to Landlord as Additional Rent, Tenant's Pro Rata Share of Real Property Taxes due and payable with respect to the Project for each full or partial calendar year during the Lease Term. Tenant shall be required to make estimated payments in advance with respect to Tenant's Pro Rata Share of Real Estate

Taxes. Real Estate Taxes for any partial year at the beginning or end of the Lease Term shall be prorated on a per diem basis for such Lease Years. Tenant shall not be responsible for any late fees if Landlord fails to timely pay real estate taxes.

The tax and assessment bills used in calculating Tenant's obligation for Additional Rent for Taxes in each calendar year shall be those which become due for payment during such calendar year without regard to the year of accrual. Tenant shall only pay for taxes associated with such time period that Tenant was in possession of the premises. If, however, there is a change in the time payment of taxes during the term of the Lease which would result in Tenant paying taxes allocable to a period longer or shorter than the term of the Lease, the tax payments for the last calendar year shall be equitably adjusted so that the period for which the Tenant pays taxes is of the same duration as the term of the Lease (although it may not be the same period of time).

If special assessments or other special taxes payable in installments are levied against the Premises, Landlord shall pay assessments or taxes in installments over the longest available period, and all interest payments shall be considered part of the assessment for the purposes of this provision.

If the Landlord contests the amount of any taxes or assessments, the reasonable attorneys' fees and expenses incurred in conducting such a contest shall be considered a part of the tax payment for the purposes of this provision. If the result of such a contest is to defer the time of payment of taxes to a later date or to obligate the Landlord to pay any additional taxes or assessments in the year in which the tax or assessment was originally due, Taxes shall be recalculated and Tenant shall pay the additional amount due. If such a contest results in a refund or reduction in the tax bill to Landlord at a later date, the additional rent for taxes and assessments for the year in which the tax or assessment was originally due shall be recalculated, and Landlord shall pay Tenant its share of the refund.

Tenant shall have the right to examine the tax and assessment bills and re-assessment and abatement notices and related bills and notices of decisions in regard to tax appeals on written request.

(b) **Operating Expenses.** Tenant shall pay to Landlord commencing on the third month following the Commencement Date, as Additional Rent, an amount equal to Tenant's Pro Rata Share of commercially reasonable Operating Expenses (as hereinafter defined). If the calendar year of the Commencement Date or the last date of the Term is only partially within the Term, the payment to be made by Tenant shall be proportionately reduced. The obligation of Tenant to make this payment shall survive the expiration or other termination of the Lease.

For purposes of this Section 5(b), the term "Operating Expenses" shall mean and include all expenses, costs, fees and disbursements paid or incurred (determined for each year on an accrual basis) by or on behalf of Landlord for owning, managing, operating, maintaining and repairing the Land, the Building or the Project and the personal property used in conjunction therewith, including (without limitation) the cost of electric serving common Building or Project areas, all costs, charges and expenses incurred by Landlord in connection with any change of any company or method of providing to the Building or Project electric or any other utility service or the like, including, without limitation, parking lot and driveway repair, sealing, striping, snow and ice removal, landscaping, lighting and maintenance, repair, installation, and service costs associated therewith, steam, water, gas, fuel, heating, lighting, air-conditioning, window cleaning, common area janitorial service, insurance, including but not limited to fire, extended coverage liability, workmen's compensation, elevator, or any other insurance applicable to the Project and

Building carried by the Landlord or required by the Landlord's lender, if any, painting, uniforms, management fees, cost of operating an on-site management office, rent, supplies, sundries, sales or use taxes on supplies or services, cost of wages and salaries of all persons engaged in the operation, administration, maintenance and repair of the Project and Building and fringe benefits, cost of any pensions, hospitalization, welfare or retirement plans, or any other similar or like expenses incurred under the provisions of any collective bargaining agreement, or any other cost or expense which Landlord pays or incurs to provide benefits for employees so engaged in the reasonable operation, administration, maintenance and repair of the Project and Building, the charges of any independent contractor who under contract with the Landlord or its representatives, does any of the work of operating, maintaining or repairing of the Project and Building, legal and accounting expenses, or any other expense or charge, whether or not hereinbefore mentioned, which, in each case, in accordance with generally accepted accounting and management principles respecting similar buildings in the Kane County area would be considered as an expense of owning, managing, operating, maintaining or repairing the Project and Building. Operating Expenses shall not include the following: (a) depreciation; (b) interest on and amortization of mortgages and any recording or mortgage tax or expense in connection therewith; (c) leasehold improvements (including painting) made for existing tenants of the building or made in order to prepare space for occupancy by a new tenant; (d) brokerage commissions and costs; including but not limited to leasing costs, legal fees, consultant fees, and any other fees with respect to procuring tenants of the Building and other tenant acquisition and inducement costs such as lease assumption costs, moving allowances, design costs or any costs relating to any extension or renegotiation of any lease for any tenant in the Building; (e) financing costs; (f) the cost of repairs or restoration necessitated by fire or other casualty or any condemnation;; (g) franchise taxes and income taxes of Landlord; (h) the cost of any items from which Landlord is reimbursed by insurance, by other tenants of the Project (except pursuant to similar provisions for the payment of a proportionate share of Operating Expenses), by warranty or otherwise compensated; (i) the cost of any work or service performed for or made available to any tenant of the Project (other than Tenant) to a greater extent or in a more favorable manner than that furnished generally, without additional expense, to the tenants and other occupants (including Tenant); (j) rent under any ground, overriding and/or underlying leases; (k) the cost of any electric current furnished to the Premises or any areas of the Project occupied by tenants for purposes other than the operation of building equipment or machinery or lighting of toilets, shaft ways or building machinery or fan rooms; (l) compensation paid in respect of officers and executives of Landlord above the level of building manager; (m) any cost stated in Operating Expenses representing an amount paid to a Landlord-related corporation or entity which is in excess of the amount which would be paid in absence of such relationship; (n) advertising and promotional expenses of the Project; (o) managing agents' fees or commissions in excess of the rates then customarily charged for building management of buildings of like class and character, and auditing fees, other than auditing fees in connection with the preparation of statements required pursuant to Additional Rent or lease escalation provisions; (p) the cost of correcting defects in the construction of the Buildings or in the Buildings' equipment, except that conditions (not occasioned by construction or equipment defects) resulting from ordinary wear and tear shall not be deemed defects for the purpose of this category, and provided further that said cost is capitalizable (as opposed to a repair) under accounting principles; (q) the cost of any repair made by Landlord to remedy damage caused by, or resulting from, the gross negligence or willful act or omissions of Landlord, its agents, servants, contractors or employees; (r) any insurance premium to the extent that Landlord is entitled to be reimbursed therefore by Tenant pursuant to this Lease or by any other occupant of a Building pursuant to its lease; (s) the cost of any additions to a Building or the Project; the cost of any alterations, additional, changes, replacements, improvements and repairs and other items which, under generally accepted accounting and auditing principles consistently applied as pertaining to the real estate industry, are properly

classified as capital expenditures, regardless of whether such capital repairs are covered by insurance; (t) legal, marketing and other professional fees and expenses incurred in preparing, negotiating and executing leases, amendments, terminations and extensions or in resolving any disputes with any present or prospective tenants and other occupants or enforcing lease obligations, including, without limitation, court costs; (u) costs and expenses incurred by Landlord in connection with the transfer or disposition of the Land, Buildings, Project or any ground, underlying or overriding lease, including, without limitation, transfer, deed and gains taxes; (v) costs incurred to correct any misrepresentation by Landlord to overriding Tenant or in connection with any fines or penalties; and (w) all amounts received by Landlord through proceeds of insurance or condemnation awards to the extent they are compensation for, or reimbursement of, sums previously included in Operating Expenses hereunder; (x) cost of repairs or maintenance caused or necessitated by the negligence of Landlord, its agents, contractors or employees; (y) costs of any code compliance work or penalties incurred as a result of a violation of a legal requirement with which the Landlord is obligated to comply; (z) the cost of any testing, removal or remediation of any Hazardous Substance (as defined herein); (aa) Landlord's general corporate overhead and general administrative expenses; and (bb) any other cost or expense that, in accordance with generally accepted accounting principles, consistently applied, would not normally be treated as Operating Expenses by landlords of comparable buildings. Notwithstanding anything to the contrary contained herein, Operating Expenses shall include depreciation, interest and other acquisition costs incurred with respect to machinery, equipment, systems, property, facilities, or capital improvements or repairs first made, installed in or upon and used in connection with the Building after the initial completion of the Project which are required under any hereafter enacted governmental laws, regulations, or ordinances and which were not required for the Building as of the date of this Lease, amortized over its useful life as determined by generally accepted accounting principles consistently applied as pertaining to the real estate industry, together with interest on the unamortized cost of such improvement (at the prevailing rate available to Landlord on the date the cost of such improvement was incurred). Further notwithstanding anything to the contrary contained herein, Landlord will not collect or be entitled to collect Operating Expenses from Tenant in excess of one hundred percent (100%) of the Operating Expenses actually paid by Landlord in connection with the Operation of the Project; and Landlord will not profit from Landlord's collection of Operating Expenses. Operating Expenses shall include maintenance reimbursements due the City of St. Charles (the "City") pursuant to that certain Easement and Operating Agreement for The Plaza Building, St. Charles, Illinois, dated July 2, 2008, recorded as Document No. 2008K056102 in the real property records of the County of Kane, Illinois (the "EOA") to the extent such reimbursements qualify as "Operating Expenses" hereunder.

As to each Lease Year, that Tenant is required to pay Additional Rent starting with the Additional Rent Commencement Date, Landlord will estimate in good faith for each such Lease Year the total amount of Operating Expenses and Real Estate Taxes and Tenant's Pro Rata Share thereof. Said estimate shall be in writing and shall be delivered to Tenant within thirty (30) days following the commencement of each Lease Year. Tenant shall pay monthly, one twelfth of such estimated amount of Tenant's Pro Rata Share of the Operating Expenses and one twelfth of estimated amount of Tenant's Pro Rata Share of Taxes in advance, on the first day of each month during each applicable Lease Year. Tax estimates will be based assessments as fully improved. If said estimate is delivered to Tenant after the first day of the applicable Lease Year, said amount, so estimated, shall be payable as Additional Rent, in equal monthly installments, in advance, on the first day of each month over the balance of such Lease Year, with the number of installments being equal to the number of full calendar months remaining in such Lease Year. Additional Rent for the first month of the term or the last month of the term shall be prorated. If Tenant has paid less than the actual amount of Operating Expenses and Taxes for any Lease Year, Tenant shall

pay the balance within thirty (30) days after the receipt of such statement. If Tenant has paid more than the actual amount of Operating Expenses and Taxes for any Lease Year, Landlord will refund such excess to Tenant within thirty (30) days. Tenant or Tenant's agent may review Landlord's books and records relating to Operating Expenses and Taxes at reasonable times at Landlord's place of business with reasonable advanced written notice. If such review shows that the amount of Operating Expenses and Taxes were less than the amount that Landlord charged Tenant, Landlord will refund the excess amount to Tenant within ten (10) days following Landlord's receipt of a copy of the results of such review. If such review shows that the amount of Operating Expenses and Taxes were more than the amount that Landlord charged Tenant, then, within ten (10) days following completion of Tenant's review, Tenant will pay to Landlord, as Additional Rent, the difference. If the amount of Operating Expenses and Taxes are overstated by more than 15 % for any Lease Year, Landlord shall pay for the reasonable cost of such review. In the event that Tenant does not commence a review of Landlord's books and records relating to Operating Expenses and Taxes within ninety (90) days of Tenant's receipt of actual real estate tax bill for applicable year Landlord's calculations shall be final and conclusive on Tenant, absent manifest error.

(c) Tenant's Pro Rata Share. For purposes of this Lease, Tenant's Pro Rata Share shall be the ratio that the Rentable Square Feet of Floor Area of the Premises bears to the total Rentable Square Feet of Floor Area of the Project expressed as a percentage, after the exact Rentable Square Feet of Floor Area is determined in accordance with subsection 4(d) herein. Tenant's Pro Rata Share is estimated to be 2.530%. If the Rentable Square Feet of Floor Area of the Project decreases during the Term Tenant's Pro Rata Share shall be adjusted accordingly. Operating Expenses, Real Estate and Insurance are estimated to approximately \$5.57 per Rentable Square Foot of Floor Area of the Premises.

(d) Rent. For purposes of this Lease, "Rent" shall mean Minimum Rent, Additional Rent, and all other charges, sums or amounts permitted to be imposed against Tenant as set forth in this Lease, including Taxes and Operating Expenses.

6. UTILITIES. Landlord agrees, prior to the commencement of the Term, to bring at its sole cost and expense gas, electric, water and sewer service to the hook-up point for the Premises, if not presently in place and to furnish a meter for each utility if not now existing. During the Term of this Lease, Tenant shall at its expense arrange directly with the utility corporation serving the Premises for, and pay for, all electricity, gas, sewer service and water furnished or required in the Premises. Municipal charges for sewerage disposal based on water consumption shall also be borne by Tenant to the extent applicable only to the Premises. Landlord shall incur no liability whatever and the obligations of Tenant under this Lease shall not be diminished or affected by reason of the unavailability, change or cessation of any utility service, provided, however, if cessation of utilities is due to act or omission of Landlord or as a result of Landlord's election to change providers as set forth in Section 7(a) below) and causes the Premises or any portion thereof to be untenantable as determined by Tenant using good faith, then all Rent and Additional Rent all rent and additional rent shall abate during the continuance thereof; and provided further that the Commencement Date shall not occur until gas, electric, water and service utility service becomes available.

7. UTILITY DEREGULATION.

(a) Landlord Controls Selection. The City of St. Charles is currently providing electricity service and water for the Project. Notwithstanding the foregoing, if permitted by law, Landlord shall have the right, at Landlord's sole option only if Landlord picks the most

economical deal, at any time and from time to time during the Term to either contract for electric service and water from a new or different company or companies providing electric service and water or continue to contract for service from the City of St. Charles provided that such new electric service and water can be provided to the Premises without interruption to the existing utility services.

(b) Tenant Shall Give Landlord Access. Tenant shall reasonably cooperate with Landlord at all times and, as reasonably necessary upon prior notice to Tenant (except in emergencies), shall allow Landlord, reasonable access upon 24 hours prior written notice to the Project's water lines, electric lines, feeders, risers, wiring, and any other machinery or service apparatus within the Premises. Landlord's representatives shall provide proper identification to Tenant and shall be accompanied at all times while on the Premises by a representative of Tenant.

8. USE

(a) Permitted Use. Tenant may use and occupy the Premises for the purpose of operating a sandwich shop (the "Permitted Use"), and for no other purpose or business except with the prior written consent of Landlord which may be given or withheld in Landlord's sole discretion. Tenant shall not use or allow any other person or entity to use any portion of the Premises for the sale of pizza from a wood burning oven or as a Mexican sit down or take out restaurant. Tenant shall not use or allow any other person or entity to use any portion of the Premises for the sale of: (a) whole or ground coffee beans, (b) espresso, espresso-based drinks or coffee-based drinks, (c) tea or tea-based drinks, (d) brewed coffee, and/or (e) blended beverages or any unlawful purpose. Tenant may sell brewed coffee or brewed tea which is neither (i) gourmet, nor (ii) brand identified. For purposes of this Lease, "gourmet" shall be defined as: (a) Arabica bean-based or (b) sourced from a gourmet coffee or tea brand such as Coffee Bean & Tea Leaf, Intelligentsia, Peets, Caribou or similar branding. For purposes of this Lease, "brand identified" shall mean coffee or tea that is advertised or marketed within the applicable retail space using a brand name or served in a brand-identified cup. Tenant may sell pre-bottled tea or pre-bottled tea-based drink. Tenant will conform to, operate in accordance with, and obey and perform any work required by all present and future laws, ordinances, rules and regulations of the United States and the state and city in which Premises is located, and subdivisions and agencies thereof, respecting the Improvements and Premises and the use, operation and occupancy thereof. Tenant shall have access to, and use of, the Premises seven days each week, twenty-four (24) hours each day.

(b) Compliance with Laws. Tenant shall not use or occupy, nor permit the Premises to be used or occupied, nor do or permit anything to be done in or on the Premises in a manner: (i) which would in any way increase the cost of or make void or voidable any insurance then in force with respect thereto whether carried by Landlord or Tenant, or (ii) which would make it impossible to obtain the insurance required to be furnished by Tenant hereunder, which would cause or be apt to cause structural injury to the Premises or any part thereof, or (iii) which would constitute a public or private nuisance, or (iv) which would violate any or any laws, orders, acts, rules, regulations, ordinances, or requirements of any governmental authority having jurisdiction over the Premises and of the National Board of Fire Underwriters or other body exercising similar functions. Tenant shall indemnify and hold harmless Landlord from and against all fines, penalties, claim or claims for damages of every kind and nature arising out of any failure to comply with any such restrictive covenants, laws, orders, acts, rules, regulations, ordinances, or requirements. Without limiting the generality of the foregoing, if any act on the Premises, or any act or omission of Tenant, Tenant's agents, employees or contractors shall be the reason for any increase in the premium rates applicable to any insurance policies carried by Landlord, Tenant

shall reimburse Landlord, on demand, as additional rent, for the amount of any such increased rates or costs. Tenant shall, at Tenant's sole cost and expense, comply with all applicable federal, state, county, municipal and local laws, rules, regulations, codes and ordinances and orders of all duly constituted governmental agencies, authorities and subdivisions in any way relating to the Improvements, Premises or Tenant's use, operation and occupancy thereof. All licenses, permits, or inspection fees required for the conduct of Tenant's business and occupancy shall be obtained and continued by Tenant at its own cost. Tenant shall not make, or permit to be made, any unseemly or disturbing noises, that disturb or interfere with occupants of Project, Building or neighboring buildings, residences or premises or those having business therein by the use of any musical instrument, radio, phonographs, television, sound system(s), utilization and operation of gym equipment or unusual noise made in any other way. Additionally, but not by way of limitation, Tenant shall comply at all time with the City of St Charles Municipal Code Section 9.24. In the event that Landlord receives any reasonable complaint regarding a violation of Section 8(a), Tenant shall after notice from Landlord immediately cease, desist or cause a cessation of the use which is the source of the complaint, within 48 hours of receiving notice from Landlord. Any violation of the terms and provisions of this Section 8 shall constitute an Event of Default.

(c) **Continuous Operations.** Except due to casualty damage in accordance with Section 16 or condemnation in accordance with Section 18, or as otherwise permitted by Landlord in writing, Tenant shall continuously operate the Permitted Use in all of the Premises in an efficient, high class and reputable manner so as to maximize revenues and profits. Tenant shall not at any time vacate the Premises but shall in good faith continuously throughout the Term of the Lease conduct and operate all of the Premises for the Permitted Use. Tenant shall, except during reasonable periods for repairing, cleaning, and decorating, keep the Premises open to the public for business with adequate personnel in attendance on all days and during all reasonable hours in accordance with customary standards for the Permitted Use and with all applicable federal and state laws, rules and regulations, except to the extent Tenant may be prohibited from being open for business by applicable law, rules, regulations, ordinances or governmental regulations.

(d) **Go Dark.** In the event Tenant fails to operate the Premises for the Permitted Use for a period of two (2) consecutive months ("Go Dark Period"), excluding cessation of business operations due to fire or other casualty (to the extent permitted in Section 16), condemnation (to the extent permitted in Section 18), or weather conditions, labor disputes, and other events of Force Majeure, in addition to and without limiting Landlord's other remedies in this Lease or at law or equity for such Tenant default, Landlord shall have the option to terminate this Lease by delivery of written notice to Tenant ("Go Dark Termination Notice"), which termination shall be effective immediately upon receipt of the Go Dark Termination Notice by Tenant. If this Lease is so terminated as set forth in this Section 8(e), Tenant shall vacate the Premises and surrender the Premises in accordance with Section 20 of this Lease. Within ten (10) days after receipt of the Go Dark Termination Notice, Tenant (i) shall pay Landlord the Rent due for the unexpired portion of the Term then in force and (ii) bring current any other liabilities and obligations of Tenant under this Lease and (iii) shall cure any defaults under this Lease ("Stipulated Damages"); both parties agreeing that such amount is a fair and reasonable estimate of the damages and losses which would be sustained by Landlord due to Tenant's cessation of operations in the Premises. Without limiting the generality of the foregoing, if the Lease is terminated pursuant to this Section 8(e), Tenant shall not be relieved of any of its liabilities and obligations under this Lease (whether or not any or all of the Premises are relet), and Tenant shall remain liable to Landlord for all damages resulting from any default by Tenant of any of its obligations pursuant to this Lease, including without limitation any damage resulting from the breach by Tenant of any of its

obligations to (i) pay Minimum Rent, Additional rent and any other sums which Tenant is obligated to pay hereunder and/or (ii) to surrender the Premises in accordance with Section 20 of this Lease (less the amount of any Stipulated Damages paid by Tenant to Landlord). Notwithstanding anything herein to the contrary Covid-19 related shutdowns shall not be the basis for any Go Dark Termination Notice.

9. **MAINTENANCE AND REPAIRS.**

(a) **Landlord's Obligations.** Except to the extent maintained by Tenant in accordance with Section 9(b), but not in addition thereto, Landlord, at its sole cost and expense maintain and repair in first-class condition, the common areas of the Project including, without limitation, the roof, load bearing walls, structural elements and foundation of the Buildings, all plumbing, and electrical in, outside or under the Premises, all lighting fixtures located outside of the Premises, walls (exterior), floors, windows (excluding plate glass), doors (excluding plate glass), and all necessary repairs to every portion and element of the Project ordinary and extraordinary, foreseen and unforeseen, of every nature, kind and description. When used in this Section 9(a), "repairs" shall include all necessary replacements, renewals, alterations, additions and betterments. Without limiting the generality of the foregoing, subject to including the costs thereof within Operating Expenses to the extent permitted by Section 5(b), Landlord shall maintain (by way of periodic maintenance contracts or otherwise), repair and replace, as reasonably necessary and expected for first class Project, the HVAC units and components thereof servicing the common areas and the components of the sprinkler and fire protection systems in the common areas of the Project, All repairs made by Landlord shall be at least equal in quality to the original work and shall be made by Landlord in accordance with all Governmental Requirements, whether heretofore or hereafter enacted. Throughout the Lease Term, Landlord, at its sole cost and expense, will promptly comply with or remove or cure any violation, or any portion thereof, of any Governmental Requirements, whether present or future, and whether the compliance, curing or removal of any such violation and the costs and expenses necessitated thereby are foreseen or unforeseen, ordinary or extraordinary, and whether or not the same shall be presently within the contemplation of Landlord or Tenant or shall involve any change of governmental policy, or require structural or extraordinary repairs, alterations or additions by Landlord and irrespective of the costs thereof except that any violation of any Governmental Requirement directly related to Tenant's specific use of the Premises (as distinguished from general office use) shall not be Landlord's responsibility to remove or cure and Tenant shall take any and all action necessary to cure said violation at Tenant's cost and expense. Landlord hereby represents and warrants that the Premises are in compliance with all Governmental Requirements, including environment laws, the ADA and Federal Clean Air Act Amendments of 1990 as of the Commencement Date. Landlord represents and warrants that it is the owner of the Building. Landlord shall defend, protect, indemnify, and hold Tenant harmless against and from any and all damages, arising out of a breach of any specific warranty or representation provided in this Section 9 (a).

(b) **Tenant's Obligations.** To the extent not required to be maintained by Landlord in accordance with Section 9(a) above, Tenant, at its sole cost and expense, shall maintain repair and replace normal wear and tear excepted, in first class condition, the non-structural, interior portions of the Premises including all plumbing, HVAC equipment serving the Premises, electrical and lighting facilities and equipment within the Premises and exclusively serving the premises, and shall keep the same in good order and condition, and shall make and perform all routine maintenance thereof and all necessary repairs and replacements thereto, and shall provide replacement of lighting bulbs, tubes, ballasts and starters, plate glass, sprinkler heads, and provide for its own janitorial service. Tenant shall provide and be responsible for its own garbage and

trash removal, including but not limited to grease removal and wet garbage removal. Tenant shall maintain in full force and effect a service contract for the maintenance of the heating, ventilation and air conditioning systems with an entity acceptable to Landlord. Such service contract shall conform to the requirements under the warranty, if any, on said systems, including, but not limited to, replacement of filters as necessary and provide for at least quarterly inspections and cleaning of the applicable units, systems and equipment, together with such adjustments and servicing as each such inspection discloses to be recommended or required. Tenant shall deliver to Landlord (i) a copy of said service contract prior to the Commencement Date, and (ii) thereafter, a copy of a renewal or substitute service contract within thirty (30) days prior to the expiration of the existing service contract, and (iii) upon Landlord's request, a copy of the service log reflecting all services performed under such service contract. Landlord shall make any warranties on equipment in the Premises available to Tenant if Tenant has a duty to maintain said equipment Pursuant to this Section 9 (b).

10. **ALTERATIONS AND ADDITIONS.** Other than the Tenant's original build out, Tenant shall not, without the prior written consent of Landlord, make any alterations, improvements or additions to the Premises. Landlord's consent to alterations shall not be required if such improvements (a) are nonstructural in nature, (b) would not affect the Project systems outside of the Premises, (c) would not require Tenant to obtain a building permit, and (d) would not cost in the aggregate in excess of Five Thousand and 00/100 Dollars (\$5,000.00), provided that Tenant gives thirty (30) days prior written notice to Landlord of such work. Landlord's consent shall not be unreasonably withheld but the Landlord may impose reasonable conditions with respect thereto, including, without limitations, requiring Tenant to furnish Landlord with security for the payment of all costs to be incurred in connection with such work and insurance against liabilities which may arise out of such work, as determined by Landlord. The work necessary to make any alterations, improvements or additions to the Premises shall be done at Tenant's hiring contractors. Tenant shall promptly pay to Landlord or to Tenant's contractors, as the case may be, when due, the cost of all such work and of all decorating required by reason thereof, and upon completion deliver to Landlord, if payment is made directly to contractors, evidence of payment, contractors' affidavits and full and final waivers of all liens for labor, services or materials, and Tenant shall defend and hold Landlord and the Project harmless from all costs, damages, liens and expenses related thereto.

All work done by Tenant or its contractors pursuant to this Section 10 or pursuant to Section 9 hereof shall be done in first-class workmanlike manner using only good grades of materials and shall comply with all insurance requirements and all applicable laws and ordinances and rules and regulations of governmental departments or agencies. All required permits shall be obtained by Tenant at Tenant's expense.

If Tenant desires signal communications, alarm or other utility or service connection installed or changed, the same shall be made at the expense of Tenant, with prior written consent and under direction of Landlord and subject to the terms and conditions of the first paragraph of this Section 10 hereof.

All alterations, improvements, additions and wiring or cabling to the Premises, whether temporary or permanent in character, made or paid for by Landlord or Tenant, shall without compensation to Tenant become Landlord's property at the termination of this Lease by lapse of time or otherwise and shall, unless Landlord requests their removal in writing at the time Landlord consents to the alterations, improvements, additions, wiring or cabling (in which case Tenant shall remove the same as provided in Section 18), be relinquished to Landlord in good condition, ordinary wear and damage by casualty excepted.

No change or alteration will be undertaken until plans and specifications have been submitted to and approved in writing by Landlord. Tenant will pay, when due, all costs and claims for labor or materials furnished to or for Tenant at or for use in the Premises Tenant agrees to defend, indemnify and hold harmless Landlord from and against any claim for death, bodily injury or damage to the Project related to such construction work except to the extent attributable to the negligence or willful misconduct of Landlord or any of Landlord's employees, agents or invitees; provided, that Landlord tenders defense of any such claim to Tenant in sufficient time to avoid prejudice to Tenant, and Tenant shall defend the same with counsel of its own selection and reasonably acceptable to Landlord. Tenant shall not affix or install any wall treatments or wall coverings, of any type or nature (other than paint), within the Premises, without Landlord's prior written consent and that do not comply with Design Criteria as delineated in Exhibit E.

All personal property not primarily a part of the Premises, including moveable partitions, business and trade fixtures, machinery and equipment, communications and office equipment, whether or not attached to or built into the Premises, which are installed in the Premises by or for the account of Tenant and can be removed without damage to the Premises or the structural, mechanical or electrical components thereof, and all furniture, furnishings and other articles of moveable personal property owned by Tenant and located in the Premises (collectively, "Tenant's Property") shall remain the property of Tenant and may be removed by Tenant or any person claiming by, through or under Tenant at any time or times during the Lease Term. Tenant shall repair and restore any damage to the Premises occasioned by the removal by Tenant or any person claiming by, through or under Tenant of any of Tenant's Property from the Premises.

11. **LIENS.** Tenant will not permit to be created nor to remain outstanding any lien on the Premises or Project arising out of any work performed by Tenant or its contractor, mechanic, laborer or material man. If any lien or notice of lien on account of an alleged debt of Tenant or any notice of contract by a party engaged by Tenant or Tenant's contractor to work in the Premises should be filed against the Premises or Project Tenant will, within sixty (60) days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of court of competent jurisdiction or otherwise, or Tenant may contest the same in accordance with applicable law provided Tenant diligently prosecutes such contest to completion. Upon the final determination of any such contest, Tenant shall pay the amount of such lien or part thereof, if any, as finally determined in such contest, together with any award of costs, fees, including reasonable attorneys' fees, interest, penalties, fines and other liability in connection therewith. Subject to Tenant's contest rights set forth above, if Tenant should fail to cause such lien or notice of lien to be discharged as aforesaid, Landlord, in addition to any other rights or remedies and after sixty (60) days prior written notice to Tenant, may, but will not be obligated to, discharge the same by either paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings. Any amount paid by Landlord and all costs and expenses, including reasonable attorneys' fees, incurred by Landlord in connection therewith, will be due and payable forthwith after demand therefore.

12. **INSURANCE.** Tenant shall carry the following insurance in companies satisfactory to Landlord;

(a) Comprehensive general liability insurance including liquor liability coverage and Dram Shop coverage during the entire term hereof covering both Tenant and Landlord as insureds with terms and in companies reasonably satisfactory to Landlord with limits of not less than Two Million Dollars (\$2,000,000.00) combined single limit per occurrence for Personal Injury, Death and Property Damage or in such other amounts as Landlord shall reasonably require.

(b) Insurance against (a) loss or damage by fire; (b) loss or damage from such other risks or hazards now or hereafter embraced by an "Extended Coverage Endorsement", including, but not limited to, windstorm, hail, explosion, vandalism, riot and civil commotion, damage from vehicles, smoke damage, water damage and debris removal; (c) loss for flood if the Project is in a designated flood or flood insurance area; (d) loss for damage by earthquake if the Project is located in an earthquake-prone area; and (e) loss from so-called explosion, collapse and underground hazards. At all times, such insurance coverage shall be in an amount equal to one hundred percent (100%) of the then "full replacement cost" of the Premises. Full Replacement Cost shall be interpreted to mean the cost of replacing the Premises without deduction for depreciation or wear and tear, and it shall include a reasonable sum for architectural, engineering, legal, administrative and supervisory fees connected with the restoration or replacement of the Premises in the event of damage thereto or destruction thereof. If a sprinkler system shall be located in the Building, sprinkler leakage insurance shall be procured.

(c) Workers compensation insurance in the statutorily required amount.

(d) Automobile Policy (\$1,000,000.00)
Non-Owned & Hired

(e) Three Million (\$3,000,000.00) Umbrella coverage.

Tenant shall, prior to the commencement of the Term (or within twenty (20) days after written notice from Landlord to Tenant in the case of additional coverage or increased amounts of coverage), furnish to Landlord certificates evidencing such coverage, which certificates shall state that such insurance coverage may not be changed or cancelled without at least thirty (30) days' prior written notice to Landlord and Tenant.

Tenant shall comply with all applicable laws and ordinances (including, but not limited to environmental laws), all orders and decrees of court and all requirements of other governmental authority, and shall not directly or indirectly make any use of the Premises, or use, store or dispose of within the Premises or the Project materials, which may thereby be prohibited or not be approved by any appropriate governmental agency or be dangerous to person or property or which may jeopardize any insurance coverage, or may increase the cost of insurance or require additional insurance coverage.

Landlord shall carry during the Term: (1) full replacement cost property insurance covering the Project and (2) general liability insurance covering the Center in such amounts reasonably deemed appropriate by Landlord. Tenant shall not make any use of the Premises which shall solely and directly cause Landlord's cost of insurance to increase or require additional insurance coverage. Landlord agrees that Tenant's use of the Premises for the purposes set forth expressly herein shall not violate such covenant.

If Tenant does not take out the insurance required pursuant to this Paragraph 12 or keep the same in full force and effect, Landlord may, but shall not be obligated to take out the necessary insurance and pay the premium therefore, and Tenant shall repay to Landlord, as Additional Rent, the amount so paid promptly upon demand. In addition, Landlord may recover from Tenant and Tenant agrees to pay, as Additional Rent, any and all reasonable expenses (including reasonable attorneys' fees) and damages which Landlord may sustain by reason of the failure to Tenant to obtain and maintain such insurance, it being expressly declared that the expenses and damages of Landlord shall not be limited to the amount of the premiums thereon.

Except for non-reportable quantities of such substances when found in commonly used household cleansers, office supplies and general office equipment, in no event shall Tenant permit in the Premises flammables such as gasoline, turpentine, kerosene, naphtha and benzene, or explosives or any other article of intrinsically dangerous nature, and in no event shall Tenant, its agents, employees or invitees bring any such flammables or other articles into the premises or Project. If by reason of the failure of Tenant to comply with the provisions of this paragraph, any insurance coverage is jeopardized or insurance premiums are increased, Landlord shall have the option either to terminate this Lease or to require Tenant to make immediate payment of the increased insurance premium.

Tenant shall not bring, keep discharge or release or permit to be brought, kept discharged or released, in or from the Premises any toxic or hazardous substance, material or waste or any other contaminant or pollutant other than non-reportable quantities of such substances when found in commonly used household cleansers, office supplies and general office equipment (collectively, "Hazardous Materials"), and any Hazardous Materials shall be used, kept, stored and disposed of in strict accordance with all applicable federal, state and local laws. Tenant shall comply with all applicable federal, state and local laws. Tenant shall comply with all applicable federal, state and local reporting and disclosure requirements, with respect to Hazardous Materials, applicable to its business operations in the Premises. Upon the written request of Landlord, Tenant shall provide periodic written reports of the type and quantities of any and all types of substances, materials, waste and contaminants (whether or not believed by Tenant to be Hazardous Materials) used, stored or being disposed of by Tenant in or from the Premises or Project. If Landlord in good faith determines that any of such substances create a risk to the health and safety of Tenant's employees and invitees or to any other tenant or invitee of the Project, Tenant shall, upon demand by Landlord, take such remedial action, at the sole cost and expense of Tenant (including, without limitation, removal in a safe and lawful manner of any Hazardous Materials from the Premises), as Landlord deems necessary or advisable or as is required by applicable law. For purposes of this Lease, "Hazardous Material" means any matter giving rise to liability under the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act, U.S.C. Section 9601 et seq. (including the so-called "Superfund" amendments thereto), any other applicable federal, state or local statute, law, ordinance, rule or regulation governing or pertaining to any hazardous substances, hazardous wastes, chemicals or other materials, including, without limitation, asbestos, polychlorinated biphenyls, radon, petroleum and any derivative thereof or any common law theory based on nuisance or strict liability. Tenant agrees to indemnify and hold Landlord harmless from and against any demand, liability, loss, claim, expense, damage, fine, penalty, cost, causes of action or injury, including reasonable attorney fees and the cost of any required or necessary repair, clean-up, remediation or detoxification arising out of (i) the presence of any Hazardous Material brought or introduced onto the Premise or Center by Tenant, its agents, employees, contractors or any other person under Tenant's control, or (ii) Landlord's enforcement of the covenants of Tenant under this Paragraph. The foregoing indemnification by Tenant shall survive the expiration or earlier termination of this Lease.

The insurance policies required by this Section 12 must be issued by reputable and independent insurers permitted to do business in the State of Illinois and rated in Best's Key Rating Guide, or any successor thereto as having a general policy holder rating of "A-" and financial rating of at least "10". Each of Seller and Tenant will deliver copies of its policies or certificates evidencing the existence and amounts of such insurance to the other. The policies of insurance will not be cancelable or subject to reduction of coverage or other modification except after ten (10) days prior written notice to Seller or Tenant, as the case may be

13. **WAIVER OF SUBROGATION.** Notwithstanding any other provisions of this Lease to the contrary, neither Landlord nor Tenant shall be liable to the other or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to any Center, structure or other tangible property, or any resulting loss of income and benefits, even though such loss or damage might have been occasioned by the negligence of such party, its agents or employees if any such loss or damage is covered by insurance benefiting the party suffering such loss or damage or was required to be covered by insurance pursuant to this Lease. Landlord and Tenant each agrees to have all fire and extended coverage and other property damage insurance which it carries with respect to the Project or Premises or to the property located in the Premises endorsed with a clause which reads substantially as follows: "This insurance shall not be invalidated should the insured waive in writing prior to a loss any or all rights of recovery against any party for loss occurring to the property described herein."

14. **INDEMNIFICATION BY TENANT.** Subject to Section 13 and provided that Landlord notified Tenant in writing of any such third party claims within five (5) days after Landlord becomes aware of such claim, Tenant shall defend, protect, indemnify, and hold Landlord and Landlord's agents, officers, directors, employees, and contractors harmless against and from any and all injuries, costs, expenses, liabilities, losses, damages, injunctions, suits, actions, fines, penalties, and demands of any kind or nature (including reasonable attorneys' fees) arising in connection with any and all third party claims arising out of (a) injuries occurring within the Premises; (b) any intentional conduct or negligence of Tenant or Tenant's agents, employees, or contractors; (c) any breach or default in the performance of any obligation on Tenant's part to be performed under this Lease; or (d) the failure of any representation or warranty made by Tenant herein to be true when made. This indemnity does not include the intentional or negligent acts or omissions of Landlord or its agents, officers, contractors or employees. This indemnity shall survive termination of this Lease only as to claims arising out of events that occur prior to termination of this Lease.

15. **FIRE OR CASUALTY.** If the Premises or the Project (including machinery or equipment used in its operation) shall be damaged by fire or other casualty and if such damage does not render all or a substantial portion (meaning more than 25%) of the Premises untenantable, then Landlord shall repair and restore the same with reasonable promptness. If any such damage renders all or a substantial portion of the Premises or the Project, untenantable, Landlord shall with reasonable promptness after the occurrence of such damage, but in any event within ninety (90) days estimate the length of time that will be required to substantially complete the repair and restoration of such damage and shall by notice advise Tenant of such estimate. Tenant's Rent shall be abated during the time required to complete the repair. If such estimate is that the amount of time required to substantially complete such repair and restoration will exceed one hundred eighty (180) days from the date such damage occurred, then either Landlord or Tenant (but as to Tenant, only if Tenant cannot reasonably under the then existing circumstances operate its business) shall have the right to terminate this Lease as of the date of such damage upon giving notice to the other at any time within twenty (20) days after Landlord gives Tenant the notice containing said estimate (it being understood that Landlord may, if it elects to do so, also give such notice of termination together with the notice containing such estimate). Unless this Lease is terminated as provided in the preceding sentence: (a) Landlord shall proceed with reasonable promptness to repair and restore the Premises; and (b) if the repair and restoration of the Premises is not completed within such 180-day period, Tenant may terminate this Lease effective as of the date of casualty by delivering written notice to Landlord on or prior to the date that is 200 days after the date of the casualty. Tenant shall not have the right to terminate this Lease pursuant to this Section if the damage or destruction was caused by the intentional act or

neglect of Tenant, its agents or employees.

Notwithstanding anything to the contrary herein set forth, Landlord shall have no duty pursuant to this Section 14 to repair or restore any portion of the alterations, additions or improvements in the Premises or the decoration thereto except to the extent that such alterations, additions, improvements and decoration are (i) included within the definition of "Landlord's Work"; (ii) included in "Tenant's Work" and permanently affixed to the Premises or (iii) otherwise agreed upon in writing by the parties. If Tenant wants any other or additional repairs or restoration and if Landlord consents thereto, the same shall be done at Tenant's expense subject to all the provisions of Section 8 hereof.

In the event any such damage not caused by the intentional act or neglect of Tenant, its agents or servants, renders the Premises untenable and if this Lease shall not be cancelled and terminated by reason of such damage, then the rent (including Minimum Rent and Additional Rent) shall abate during the period beginning with the date of such damage and ending with the date when the Premises are again rendered tenable. Such abatement shall be in an amount bearing the same ratio of the total amount of rent for such period as the untenable portion of the Premises from time to time bears to the entire Premises.

16. **NONWAIVER.** No waiver of any provision of this Lease shall be implied by any failure of Landlord to enforce any remedy on account of the violation of such provision even if such violation be continued or repeated subsequently, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. Subject to the rights of Landlord in Section 22, no receipt of monies by Landlord from Tenant after the termination of this Lease will in any way alter the length of the Term or of Tenant's right to possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any rent due, and the payment of said rent shall not waive or affect said notice, suit or judgment.

17. **CONDEMNATION.**

(a) **Termination of Lease.** If the whole of or any part of the Premises should be taken under the power of eminent domain, or conveyed under the threat of the exercise of said power (all of which are herein called "condemnation") so as to render the remaining portion of the Premises unsuitable for the purposes intended hereby as determined by Tenant, then this Lease will terminate as of the day possession shall be taken by the condemning authority.

(b) **Continuation of Lease.** If this Lease has not been terminated in accordance with Subsection (a) above, this Lease will remain in full force and effect as to the portion of the Premises remaining, except that the Minimum Rent will be reduced by an amount bearing the same ratio of the total amount of rent for such period as the portion of the Premises taken bears to the entire Premises, and Landlord, at its sole expense and with all due diligence, shall repair, restore and rebuild the Premises to the condition existing immediately prior to such condemnation in a good and workmanlike, lien free manner and in accordance with all Governmental Requirements. Rent shall abate equitably until Tenant reopens the entire Premises for business. If Landlord and Tenant fail to agree on the Minimum Rent prior to Tenant's reopening, then the fair Minimum rental shall be determined by arbitration as follows. All arbitrators appointed by or on behalf of either party or appointed pursuant to the provisions hereof shall be certified MAJ

members of the Appraisal Institute with not less than ten (10) years of experience in the appraisal of improved commercial real estate in the Kane County, Fox Valley Area and be devoting substantially all of their time to professional appraisal work at the time of appointment and be in all respects impartial and disinterested. The party desiring such arbitration shall give written notice to that effect to the other party, specifying in such notice the name, address and professional qualifications of the person designated to act as arbitrator on its behalf. Within twenty (20) days after service of such notice, the other party shall give written notice to the party desiring such arbitration specifying the name, address and professional qualifications of the person designated to act as arbitrator on its behalf. The two (2) arbitrators so appointed shall determine Minimum Rent Rate, considering, along with other factors deemed relevant by the arbitrators, the size, location, area and nature of the improvements in the Premises, and the parking provided to the Premises, and each shall submit a copy of its determination of such Minimum Rent Rate in writing within sixty (60) days after appointment. If the lesser of such appraisals when multiplied by 105% exceeds the higher of such appraisals, then the Minimum Rent Rate shall be the average of the two appraised values. If the lesser of such appraisals when multiplied by 105% does not exceed the higher of such appraisals, then the two (2) arbitrators shall, within five (5) days after the expiration of such 60-day period, appoint a third arbitrator. The third arbitrator so appointed shall independently determine the Minimum Rent Rate within 30 days after appointment, by submitting a copy of his or her written determination of such Minimum Rent Rate, along with supporting documentation to Landlord and Tenant and the other two arbitrators. Following such submittal, the Minimum Rent Rate shall be deemed to be the average of the appraisals rendered by such three arbitrators. Each party shall pay the fees and expenses of the arbitrator appointed by such party and one-half (1/2) of the fees and expenses of the third arbitrator. If either party fails to appoint an arbitrator or if either of the first two arbitrators fails to submit his or her proposal of Minimum Rent Rate to the other party, in each case within the time periods set forth above, then the decision of the other party's arbitrator shall be considered final and binding.

(c) **Allocation of Awards.** All damages in the event of any condemnation are to belong to the Landlord whether such damages are awarded as compensation for diminution in value of the leasehold or to the fee or the improvements thereupon, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, only such compensation as may be separately awarded (as part of a separate action) or recoverable by Tenant in Tenant's own right on account of any and all damage to any portion of Tenant's Work, any subsequent additions or modifications thereto, Tenant's business by reason of the condemnation and for or on account of any cost or loss to which Tenant might be put in removing Tenant's furniture, fixtures, leasehold improvements and equipment.

18. **ASSIGNMENT AND SUBLETTING.**

(a) Tenant may not assign, mortgage, pledge, encumber or otherwise transfer this Lease, or any interest hereunder, or sublet the Premises, in whole or in part, without on each occasion first obtaining the prior express written consent of Landlord, which consent shall be in Landlord's sole and absolute discretion without regard to any standard of reasonableness. Any change in control of Tenant due to a merger, consolidation, stock transfer or asset sale shall be considered an assignment or transfer which requires Landlord's prior written consent. In making a determination to grant or withhold such consent, in addition to any other relevant factors, Landlord shall be entitled to consider the creditworthiness of the proposed assignee or sublessee, the nature of the use of the Premises contemplated by the proposed assignee or sublessee and whether or not the proposed use will increase wear and tear on the Premises. In addition, if the intended use by the proposed assignee or sublessee involves in any way any Hazardous

Substances other and if such additional Hazardous Substances create, in the judgment of Landlord an increased risk of contamination at the Premises, Landlord shall be unconditionally entitled to withhold consent to the proposed assignment or sublease. Permitted subtenants or assignees shall become liable directly to Landlord for all obligations of Tenant hereunder, without, however, relieving Tenant of any of its liability hereunder; provided, however, that so long as no Event of Default has occurred and is continuing, Landlord shall not collect any rent directly from any subtenant of less than the entire Premises or otherwise interfere with the exercise by Tenant of its rights as sublandlord under the sublease. No assignment, mortgaging, subletting or use or occupancy by others shall in any way be construed to relieve Tenant from any of its liability hereunder to pay Minimum Rent, Additional Rent and all other sums payable by Tenant hereunder or to perform its obligations hereunder (which shall in every instance continue as the liability and obligation of a principal and not a surety) or from thereafter obtaining the express consent of Landlord to any other or further assignment, mortgaging or subletting of this Lease.

(b) If Tenant should desire to assign this Lease or sublet the Premises (or any part thereof), Tenant shall give Landlord written notice no later than ten (10) days in advance of the proposed effective date of any proposed assignment or sublease, specifying (i) the name and business of the proposed assignee or sublessee, (ii) a detailed description of the intended use of the Premises by the proposed assignee or sublessee, with particular detail regarding any Hazardous Substances which will be used in any manner at the Premises; (iii) the amount and location of the space within the Premises proposed to be so subleased, (iv) the proposed effective date and duration of the assignment or subletting, and (v) the proposed rent or consideration to be paid to Tenant by such assignee or sublessee. Tenant shall promptly supply Landlord with financial statements and other information as Landlord may request to evaluate the proposed assignment or sublease.

(c) Landlord shall have a period of thirty (30) days following receipt of such notice and other information requested by Landlord within which to notify Tenant in writing that Landlord elects: (i) to permit Tenant to assign or sublet such space; or (ii) to refuse to consent to Tenant's assignment or subleasing of such space and to continue this Lease in full force and effect as to the entire Premises. Tenant agrees to reimburse Landlord for reasonable legal fees and any other reasonable costs incurred by Landlord in connection with any requested assignment or subletting. Tenant shall deliver to Landlord copies of all documents executed in connection with any permitted assignment or subletting, which documents shall be in form and substance reasonably satisfactory to Landlord and which shall require such assignee to assume performance of all terms of this Lease on Tenant's part to be performed. No acceptance by Landlord of any rent or any other sum of money from any assignee, sublessee or other category of transferee shall be deemed to constitute Landlord's consent to any assignment, sublease, or transfer.

(d) Any attempted assignment or sublease by Tenant in violation of the terms and provisions of this Section 18 shall be void and such act shall constitute an Event of Default. In no event shall any assignment, subletting or transfer, whether or not with Landlord's consent, relieve Tenant of its primary liability under this Lease for the entire Term, and Tenant shall in no way be released from the full and complete performance of all the terms hereof. If Landlord takes possession of the Premises before the expiration of the Term of this Lease, Landlord shall have the right, at its option to take over any sublease of the Premises or any portion thereof and such subtenant shall attorn to Landlord, as its landlord, under all the terms and obligations of such sublease occurring from and after such date, but excluding previous acts, omissions, negligence or defaults of Tenant and any repair or obligation in excess of available net insurance proceeds or condemnation award. Tenant shall reimburse Landlord for any costs incurred by Landlord in connection with any sublease including any alterations to the Premises or any other portion of the

Property undertaken in consequence thereof. Notwithstanding the foregoing, Tenant may, without Landlord's consent, sublet all or any portion of the Premises or assign this Lease to the following (each, a "Permitted Transfer"): (a) a parent, subsidiary, affiliate, division or other entity controlling, controlled by or under common control with Tenant; (b) a successor entity related to Tenant by merger, consolidation, reorganization or government action. Unless released in writing, Personal Guarantors shall remain liable as provided under the terms of this Lease in the event of any assignment or sublease.

(e) Landlord shall have the right to sell, transfer, assign, pledge, and convey all or any part of the Land and the Building and all of Landlord's rights under this Lease. In the event Landlord assigns or otherwise conveys its rights under this Lease, Landlord shall be entirely freed and released from any obligations accruing thereafter under this Lease, and Tenant agrees to look solely to Landlord's successor in interest for performance of such obligations; provided that Landlord shall deliver to Tenant an executed agreement evidencing the successor's obligation to be bound by this Agreement.

(f) If Tenant transfers or assigns this Lease or sublets the Premises in whole or in part to any permitted assignee or sublessee, Landlord shall be entitled to receive, as Additional Rent, fifty percent 50% of any "Rental Profit" (as hereinafter defined) received by Tenant. The term "Rental Profit" shall mean the amount, calculated on a per square foot basis and not on an aggregate or cumulative basis, by which (i) the total rental and other consideration (of any nature whatsoever and however characterized) paid or delivered to Tenant by an assignee of the interest of Tenant or sublessee of all or any part of the Premises, for the purpose of compensating Tenant directly or indirectly for the assignment or sublease, exceeds (ii) the Minimum Rent, plus Additional Rent, installments paid by Tenant to Landlord pursuant to this Lease. By way of example, if Landlord grants the required written consent to a sublease by Tenant of 1,000 square feet of the Premises and the total rental and other consideration received by Tenant for the sublease equals a per annum rate of \$30.00 per square foot and the per annum rate per square foot for the Minimum Rent then payable by Tenant is \$25.00 per square foot, the Rental Profit would be \$5.00 per square foot and Landlord would be entitled to receive such Rental Profit concurrently with receipt of each payment by the sublessee to Tenant. Landlord shall be entitled to receive payment of its share of Rental Profit as and when payments are received by Tenant.

19. **SURRENDER OF POSSESSION.** Upon the expiration of the Term or upon the termination of Tenant's right of possession, whether by lapse of time or at the option of Landlord as herein provided, Tenant shall at once surrender the Premises to Landlord in good order, repair and condition, ordinary wear, landlord's obligations and damage by casualty excepted, and remove all of its property therefrom, and if such possession is not immediately surrendered Landlord may forthwith re-enter the Premises and repossess itself thereof and remove all persons and effects therefrom, using such legal force as may be necessary, without being deemed guilty of any manner of trespass, eviction or forcible entry or detainer and without thereby relinquishing any right given to Landlord hereunder or by the operation of law. Without limiting the generality of the foregoing, Tenant agrees to remove at the termination of the Term or of its right of possession the following items of property belonging to the Tenant: office furniture, trade fixtures, office equipment, merchandise and all other items of Tenant's property on the Premises, and such alterations, improvements, additions and wiring or cabling that Landlord requested Tenant remove in Landlord's written notice to Tenant at the time Landlord consented to such alterations, improvements, additions, wiring and cabling. Tenant shall pay to Landlord upon demand the cost of repairing any damage caused by any such removal. If Tenant shall fail or refuse to remove any such property from the Premises, Tenant shall be conclusively presumed to have abandoned same, and title thereof shall thereupon pass to Landlord without any cost either by set-off, credit, allowance or otherwise, and

Landlord may at its option accept the title to such property or at Tenant's expense may (i) remove the same or any part in any manner that Landlord shall choose, and (ii) store, destroy or otherwise dispose of the same, except for Tenant files, without incurring liability to Tenant or any other person.

20. **HOLDING OVER.** Tenant shall pay to Landlord two hundred percent (200%) of the Minimum Rent set forth in Section 4 hereof and one hundred percent (100%) any appropriate Additional Rent then applicable (the "Holdover Rate") for each month or portion thereof for which Tenant shall retain possession of the Premises or any part thereof after the termination of the Term or Tenant's right of possession, whether by lapse of time or otherwise, and also shall pay all direct damages sustained by Landlord on account thereof. The provisions of this paragraph shall not be deemed to limit any rights of Landlord. At the option of Landlord, expressed in a written notice to Tenant and not otherwise, such holding over shall constitute either (i) a month-to-month tenancy upon the then applicable terms and conditions set forth herein, or (ii) a tenancy at sufferance. If no such notice is served, then a tenancy at sufferance shall be deemed created at the Holdover Rate.

21. **ESTOPPEL CERTIFICATE.** Tenant agrees from time to time upon not less than ten (10) business days prior written request by Landlord, Tenant or Tenant's duly authorized representative having knowledge of the following facts, will deliver to Landlord a statement in writing certifying (i) that this Lease is unmodified and in full force and effect (or if there have been modifications that the Lease as modified is in full force and effect); (ii) the dates to which the rent and other charges have been paid; (iii) that the Landlord is not in default under any provision of this Lease, or, if any default, the nature thereof in detail; and (iv) to such other material matters pertaining to this Lease as Landlord reasonably requires. Landlord shall pay Tenant reasonable attorneys' fees and expenses if Tenant needs legal assistance to complete the Landlord's request.

22. **SUBORDINATION.** Tenant hereby agrees that this Lease shall automatically be subject and subordinate to (i) any indenture of mortgage or deed of trust that may hereafter be placed upon the Business Park and to all renewals, replacements and extensions thereof, and to all amounts secured thereby, except to the extent that any such indenture of mortgage or deed of trust provides otherwise, and (ii) any ground or underlying lease. Tenant shall at Landlord's request execute such further reasonable instruments or assurances as Landlord may reasonably deem necessary to evidence the subordination of this Lease to the lien of any such indenture or mortgage or deed of trust or to any such ground or underlying lease or to acknowledge that this Lease is superior to such lien, as the case may be. The foregoing subordination is conditioned upon Tenant's use or possession of the Premises not being disturbed, nor shall its obligations be enlarged or its rights be abridged hereunder by reason of any such transaction. Landlord shall pay Tenant reasonable attorneys' fees and expenses if Tenant needs legal assistance to complete the Landlord's request.

23. **CERTAIN RIGHTS RESERVED BY LANDLORD.** Landlord shall have the following rights, each of which Landlord may exercise without notice to Tenant and without liability to Tenant for damage or injury to property, person or business on account of the exercise thereof, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of Tenant's use or possession of the Premises and shall not give rise to any claim for set-off or abatement of rent or any other claim provided in each case Tenant's access to the Premises or use thereof is not unreasonably disturbed:

(a) To change the street address upon no less than one hundred eighty (180) days written notice.

(b) To install, affix and maintain any and all signs on the exterior and on the interior of the Business Park.

(c) To decorate or to make repairs, alterations, additions or improvements, whether structural or otherwise, in and about the Project, or any part thereof, and for such purposes to enter upon the Premises after prior notice to Tenant and if accompanied by a representative of Tenant, and during the continuance of any of said work, to temporarily close doors, entryways, public space and corridors of the Buildings or Project, all without affecting any of Tenant's obligations hereunder, so long as (i) the Premises are reasonably accessible, and (ii) Tenant's use and occupancy of the Premises are not materially adversely affected.

(d) To furnish door keys for doors in the Premises at the commencement of the Lease (Master Key System). To retain at all times, and to use in appropriate instances, keys to all doors within and into the Premises. Tenant agrees to purchase only from Landlord additional duplicate keys as required, to change no locks, and not to affix additional locks on doors without the prior written consent of Landlord. Notwithstanding the provisions for Landlord's access to Premises, Tenant relieves the Landlord of all responsibility arising out of theft, robbery, pilferage, unless caused by the negligence or willful misconduct of Landlord, its officers, agents, or employees. Upon the expiration of the Term or Lessee's right to possession, Tenant shall return all keys to Landlord and shall disclose to Landlord the combination of any safes, cabinets or vaults left in the Premises. If Tenant chooses not to be a part of the Master Key System, Tenant must give a copy of their key to the Landlord and pay for all costs associated with purchasing and installing a Knox Box per City of St. Charles Fire Department Code and Regulations.

(e) To approve the weight, size and location of safes, vaults and other heavy equipment and articles in and about the Premises and to require all such items and furniture and similar items to be moved into or out of the Premises only at such time and in such manner as Landlord shall direct in writing. Tenant shall not install, operate or store any machinery, equipment, mechanical devices, goods, articles or merchandise which may be dangerous to persons or property or which may damage or injure the Premises. Tenant shall not install, operate or store any machinery, equipment, mechanical devices, goods, articles or merchandise which are of a nature not directly related to Tenant's ordinary use of the Premises without the prior written consent of Landlord. Movements of Tenant's property into or out of the Premise are entirely at the risk and responsibility of Tenant and Landlord reserves the right to require permits before allowing any property to be moved into or out of the Premises.

(f) To show the Premises to prospective tenants at reasonable hours and following reasonable prior written notice to Tenant, which notice may be verbally given to Tenant's on-site employees during the last six (6) months of the Term and if vacated or abandoned while the Tenant is in rental default beyond all applicable cure periods, to show the Premises at any time and to prepare the Premises for reoccupancy.

24. **RULES AND REGULATIONS.** Tenant agrees for itself, its employees, agents, clients, customers, invitees, visitors, and guests, to comply with the current Rules and Regulations for the Premises (a copy of which is attached hereto) which, from time to time, may be reasonably modified or supplemented by Landlord.

25. **REMEDIES.**

(a) **LANDLORD.** The occurrence of any one or more of the following events shall constitute an "Event of Default" of Tenant under this Lease. If default shall be made in the

payment of the rent or any installment thereof or in the payment of any other sum required to be paid by Tenant under this Lease or under the terms of any other agreement between Landlord and Tenant and such default shall continue for five (5) days after written notice from Landlord, or if default shall be made in the observance or performance of any of the other covenants or conditions in this Lease which Tenant is required to observe and perform and such shall continue for thirty (30) days, provided that this time shall be automatically extended for up to an additional sixty (60) days so long as Tenant shall be diligently prosecuting the cure of said default after written notice to Tenant, or if a default involves a hazardous condition or an insurance obligation and is not cured by Tenant immediately upon written notice to Tenant, or if the interest of Tenant in this Lease shall be levied on under execution or other legal process, or if any voluntary petition in bankruptcy or for corporate reorganization or any similar relief shall be filed by Tenant, or if any involuntary petition in bankruptcy shall be filed against Tenant under any federal or state bankruptcy or insolvency act and shall not have been dismissed within sixty (60) days from the filing thereof, or if a receiver shall be appointed for Tenant or any of the property of Tenant by any court and such receiver shall not have been dismissed within sixty (60) days from the date of his appointment, or if Tenant shall make an assignment for the benefit of creditors, or if Tenant shall admit in writing Tenant's inability to meet Tenant's debts as they mature, then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease, and thereupon at its option may, with or without notice or demand of any kind to Tenant or any other person, have any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein. If an Event of Default occurs Landlord shall have the rights and remedies set forth below, which shall be distinct, separate and cumulative and shall not operate to exclude or deprive Landlord of any other right or remedy allowed it at law or in equity or elsewhere in this Lease:

(1) Landlord may terminate this Lease by giving Tenant written notice of its election to do so, in which event the Term shall end and all right, title and interest of Tenant under this Lease shall expire on the date stated in such notice;

(2) Landlord may terminate Tenant's right to possess the Premises without terminating this Lease by giving written notice to Tenant that Tenant's right of possession shall end on the date stated in such notice, whereupon Tenant's right to possess all or any portion of the Premises shall cease on the date stated in such notice; and

(3) Landlord may enforce the provisions of this Lease and may enforce and protect the rights of Landlord under this Lease by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained in this Lease, and for the enforcement of any other appropriate or equitable remedy, including, without limitation, injunctive relief, and for recovery of all monies due or to become due from Tenant under any of the provisions of this Lease.

If Landlord terminates Tenant's right to possess the Premises without terminating this Lease, such termination of possession shall not release Tenant, in whole or in part, from Tenant's obligation to pay the Rent under this Lease for the full Term. Landlord shall have the right, from time to time, to recover from Tenant, and Tenant shall remain liable for, all Rent and any other sums subsequently accruing as they become due under this Lease during the period from the date of such notice of termination of possession to the stated end of the Term. Landlord shall reasonably attempt to relet all or any portion of the Premises for the account of Tenant for such rent, for such time (which may be for a term extending beyond the Term) and upon such terms as Landlord in Landlord's sole discretion shall determine, but Landlord shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant relative to

such reletting. Also, in any such case, Landlord may make repairs, alterations and additions in or to the Premises to the extent reasonably necessary to relet the Premises, and in such regard, Landlord may change the locks to the Premises and Tenant shall, upon written demand, pay such cost together with Landlord's expenses of reletting. Landlord may collect the rents from any such reletting and apply the same first to the payment of the expenses of re-entry, repair and alterations and the expenses of reletting and second to the payment of Rent provided in this Lease to be paid by Tenant, and any excess or residue shall operate only as an offsetting credit against the amount of Rent due and owing as the same subsequently becomes due and payable under this Lease, but the use of such offsetting credit to reduce the amount of Rent due Landlord, if any, shall not be deemed to give Tenant any right, title or interest in or to such excess or residue and any such excess or residue shall belong to Landlord solely; provided that in no event shall Tenant be entitled to a credit on its indebtedness to Landlord in excess of the aggregate sum (including Minimum Rent and Additional Rent) which should have been paid by Tenant for the period for which the credit to Tenant is being determined, had no Event of Default occurred. No such re-entry, repossession, repairs, alterations, additions or reletting shall be construed as an eviction or ouster of Tenant or as an election on Landlord's part to terminate this Lease or a written notice of such intention is given to Tenant, or shall operate to release Tenant, in whole or in part, from any of Tenant's obligations under this Lease, and Landlord may, at any time and from time to time, sue and recover judgment for any deficiencies from time to time remaining after the application from time to time of the proceeds of any such reletting.

In the event of the termination of this Lease by Landlord as provided for herein, Landlord shall be entitled to recover from Tenant all the fixed dollar amounts of Rent accrued and unpaid for the period up to and including such termination date as well as all other additional sums payable by Tenant, or for which tenant is liable or in respect of which Tenant has agreed to indemnify Landlord under any of the provisions of this Lease, which may be then owing and unpaid, and all costs and expenses, including, without limitation, court costs and attorneys' fees incurred by Landlord in the enforcement of its rights and remedies under this Lease, and, in addition, Landlord shall be entitled to recover as damages for loss of the bargain and not as a penalty (a) real estate brokers' commissions; (b) aggregate rents at the same annual rate for the remainder of the Term as then in effect pursuant to the provisions of this Lease or at Landlord's option the aggregate sum which at the time of such termination represents the excess, if any, of the present value of the aggregate rents at the same annual rate for the remainder of the Term as then in effect pursuant to the provisions of this Lease, over the then present value of the then aggregate fair rental value of the Premises for the balance of the Term, such present value to be computed in each case on the basis of a 2% per year discount from the respective dates upon which such rentals would have been payable under this Lease had this Lease not been terminated; and (d) any damages in addition, including attorneys' fees and court costs, which Landlord shall have sustained by reason of the breach of any of the covenants of this Lease other than for the payment of Rent.

(b) **Tenant.** In the event of Landlord's default in its performance of any covenant or obligation in this Lease, Tenant shall not exercise any remedy until Tenant has given Landlord prior written notice of such act or omission and until a thirty (30) day period of time to allow Landlord or the mortgagee to remedy such act or omission shall have elapsed following the giving of such written notice; provided however, that if such act or omission cannot, with due diligence and in good faith, be remedied within such thirty (30) day period, Landlord and/or mortgagee shall be allowed such further period of time as may be reasonably necessary provided that it shall have commenced remedying the same with due diligence and in good faith within said thirty (30) day period, up to a maximum of sixty (60) days. Notwithstanding the foregoing, in the event Landlord's default hereunder results in an immediate threat of bodily harm to Tenant's employees, agents or invites, or damage to Tenant's property, or material adverse

interference with or impact on Tenant's conduct of its business, Tenant may proceed to cure the default without prior notice to Landlord; provided, however, that in that event Tenant shall give written notice to Landlord as soon as possible upon commencement of such cure. Nothing herein contained shall be construed or interpreted as requiring any mortgagee to remedy such act or omission. Landlord shall reimburse Tenant for (i) any costs or expenses paid by Tenant on behalf of Landlord under this Section 26(B) together with interest at the Maximum Rate of Interest, within fifteen (15) days of written demand by Tenant. Landlord shall not be responsible for any loss of business as a result of such default under this Section 26(B).

26. **EXPENSES OF ENFORCEMENT.** The non-prevailing party shall pay upon demand all reasonable costs, charges and expenses including court costs and the reasonable fees of counsel, agents, and others retained incurred in enforcing the obligations hereunder or incurred in any litigation, negotiation or transaction in which one party causes the other, without the other's fault, to become involved or concerned, excluding any negotiations to extend or renew this Lease.

27. **MISCELLANEOUS.**

(a) All rights and remedies of Landlord under this Lease shall be cumulative and none shall exclude any other rights and remedies allowed by law.

(b) All payments becoming due under this Lease and remaining unpaid for a period of ten (10) days after notice to Tenant will be subject to a Two Hundred and 00/100 Dollars (\$200.00) late charge and shall bear interest until paid at the annual rate of three (3%) percent in excess of the prime rate then announced from time to time by Bank of America unless a lesser rate shall then be the maximum rate permissible by law with respect thereto, in which event said lesser rate shall be charged.

(c) The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed.

(d) Each of the provisions of this Lease shall extend to and shall, as the case may require, bind and inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, legal representative, successors and assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Section 19 hereof.

(e) Except as otherwise provided, all of the representations and obligations of Landlord and Tenant are contained herein, and no modification, waiver or amendment of this Lease or of any of its conditions or provisions shall be binding upon the Landlord and Tenant unless in writing signed by Landlord and Tenant or by their respective duly authorized agents.

(f) Submissions of this instrument for examination shall not bind Landlord or Tenant in any manner, and no Lease or obligation of Landlord or Tenant shall arise until this instrument is signed by Landlord and Tenant and delivery is made to each.

(g) No rights to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

(h) The captions of paragraphs are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such paragraphs.

(i) Landlord and Tenant represent and warrant that it is currently in good standing and authorized to do business in the State of Illinois, and each party covenants that it shall remain so during the entire Term.

(j) Landlord and Tenant acknowledge their duty to exercise their rights and remedies hereunder and to perform their covenants, agreements and obligations hereunder, reasonably and in good faith. In each instance where the consent or approval of a party hereto is made a prerequisite to any act or decision under this Lease by the other party hereto, such consent or approval shall not be unreasonably withheld, refused, delayed or conditioned, and all reasons for not giving such consent or approval shall be specified in writing, unless otherwise specifically set forth herein.

(k) Each party and its counsel have participated in the drafting of this Lease; therefore none of the language contained in this Lease shall be presumptively construed in favor of or against either party.

28. **NOTICES.** "Notice" means any notice, demand, request, or other communication or document to be provided under this Lease. All notices required or permitted hereunder shall be in writing and shall be served on the parties at the following address:

If to Landlord: First Street Development LLC
423 South 2nd Street
St. Charles, Illinois 60174
Attention: David Keilman
Phone: 630-587-5595
Email: dave@pcwinvest.com

or such other person at such other address designated by notice sent to Tenant and after occupancy of the Premises by Tenant to the address to which rent is payable.

With copy to William F. Bochte
Bochte, Kuzniar & Navigato, P.C.
2580 Foxfield Road, Suite 200
St. Charles, Illinois 60174
Phone: 630-377-7770
Fax: 630-377-3479
Email: wbochte@bknlaw.com

If to Tenant: Anthony Gargano
300 DIVISION ST
S. CHARLES, IL 60174
Phone: 224-489-5521
Fax:
Email: ANTHONY@OSTERIABIGALARA.COM

With copy to:

Any such notices shall be either (a) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered three business days after deposit, postage prepaid in the U.S. Mail, (b) sent by overnight delivery using a nationally recognized overnight courier, in which case it shall be deemed delivered one business day after deposit with such courier, (c) sent by telefax or E-mail, in which case notice shall be deemed delivered upon transmission of such notice, or (d) sent by personal delivery. The above addresses may be changed by written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. Notice may be given by the attorneys for either party.

29. ~~NO~~ **REAL ESTATE BROKER.** ~~The Tenant represents that the Tenant has dealt only with Summers Commercial Realty in connection with this Lease and that insofar as the Tenant knows no other broker negotiated this Lease or is entitled to any commission in connection herewith. Landlord and Tenant agree to indemnify each other against all costs, expenses, attorneys' fees or other liability for commissions or other compensation or charges claimed by any broker or agent claiming the same by, through or under the other, except for Corcoran Commercial Real Estate who will be paid by Landlord.~~

30. **COVENANT OF QUIET ENJOYMENT.** Landlord covenants that Tenant, on paying the Minimum Rent, applicable Additional Rent, charges for services and other payments herein reserved, and, on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed, and performed, shall, during the Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions, and agreements hereof.

31. **SIGNAGE.** All signage shall require Landlord's prior written approval and consent. Tenant shall have the right to construct and install Tenant's signage in accordance with Exhibit E to this Lease, so long as the same is approved by Landlord. Landlord shall work together and cooperate with Tenant to facilitate such construction and installation of Tenant's signage including, without limitation, joining in the execution of necessary applications, agreements, amendments, approvals and permits as may be necessary in connection therewith and complying with requirements of local, state or federal governments or any agency thereof relating to Tenant's signage, all with Landlord's written approval and consent.

32. **WAIVER OF JURY TRIAL AND COUNTERCLAIM.** Tenant hereby waives trial by jury in any action, proceeding or counterclaim brought by Landlord on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or any proceedings for nonpayment of any rent.

33. **GENERAL PROVISIONS.**

(a) **Validity.** Landlord and Tenant acknowledge that they were represented by counsel in connection with the Lease and that each of them or their respective counsel reviewed and revised the Lease. If any covenant, condition, provision, term or agreement of this Lease shall, to any extent, be held invalid or unenforceable, the remaining covenants, conditions, provisions, terms and agreements of this Lease shall not be affected thereby, but each covenant, condition, provision, term or agreement of this Lease shall be valid and in force to the fullest extent permitted by law.

(b) **Authority.** Each of Landlord and Tenant represents and warrants to the other that this Lease has been duly authorized, executed and delivered by it and that this Lease constitutes the valid and binding obligation of it enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and similar creditor's rights laws.

(c) **Construction.** This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter will be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of modification. The captions used herein are for convenience only and do not limit or amplify the provisions hereof. The terms "Landlord" and "Tenant", as used herein, denote both singular and plural and all genders.

(d) **Binding Effect.** The covenants and agreements contained in this Lease bind and inure to the benefit of Landlord, its successors and assigns, bind Tenant and its successors and assigns and inure to the benefit of Tenant and its permitted successors and assigns. This Lease will be governed by the laws of the State of Illinois.

(e) **Exhibits.** The following Exhibits referred to in and attached to this Lease are incorporated herein in full by reference with the same force and effect as if specifically set forth herein, and the terms of the Exhibits will prevail over any conflicting or inconsistent terms in the body of the Lease:

- Exhibit A - LEGAL DESCRIPTION
- Exhibit B - SPACE PLAN
- Exhibit C - TENANT'S WORK
- Exhibit C-1 - TENANT'S DRAWINGS
- Exhibit D - RULES AND REGULATIONS
- Exhibit E - PERSONAL GUARANTY

(f) **Landlord's Limited Liability.** Tenant agrees to look solely to Landlord's interest in this Lease, the Premises, and all profits, rents and sales proceeds arising therefrom, including, without limitation, condemnation awards and insurance proceeds, for recovery of any monetary judgment from Landlord, it being agreed that Landlord, so long as it owns the Premises (and if Landlord is a partnership, its partners, whether general or limited, and if Landlord is a corporation, its directors, officers or shareholders), shall not be personally liable for any monetary judgment or deficiency decree or judgment against Landlord. Landlord may sell, transfer or otherwise convey its interest in and to the Project at any time and from and after the date of any such transfer or conveyance, Landlord shall be released from its obligations hereunder that arise or accrue after the date of any such transfer or conveyance

(g) **Good Faith and Fair Dealing.** Landlord and Tenant acknowledge their duty to exercise their rights and remedies hereunder and to perform their covenants, agreements and obligations hereunder, reasonably and in good faith. In each instance where the consent or approval of a party hereto is made a prerequisite to any act or decision under this Lease by the other party hereto, such consent or approval shall not be unreasonably withheld, refused, delayed or conditioned, and all reasons for not giving such consent or approval shall be specified in writing, unless otherwise specifically set forth herein.

(h) **Marginal Headings.** The marginal headings and titles to the sections and

subsections of this Lease are not a part of this Lease and shall have no effect upon the construction or the interpretation of any part thereof.

(i) **Choice of Law.** This Lease shall be governed in accordance with the laws of the State of Illinois and venue shall be in the state courts having situs in Kane County, Illinois

(j) **Acceptance.** The submission of this Lease to Tenant does not constitute an offer to lease. This Lease shall become effective only upon the execution and delivery thereof by both Landlord and Tenant.

34. **COUNTERPARTS.** This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

35. **MERGER OF PRIOR AGREEMENTS.** This Lease supersedes all prior agreements and understandings, written and oral, between the parties hereto relating to the subject matter hereof.

36. **PERSONAL GUARANTY, SECURITY DEPOSIT, SECURITY AGREEMENT AND FINANCING STATEMENT.**

(a) **Personal Guaranty.** Anthony Gargano shall execute a Personal Guarantee as attached hereto and made a part hereof as Exhibit E.

(b) **Security Deposit.** Tenant hereby deposits with Landlord the sum of Two Thousand Seven Hundred and 00/100 Dollars (\$2,700.00) hereinafter referred to as "Collateral", as security for the prompt, full and faithful performance of all obligations of Tenant hereunder.

(i) If Tenant fails to perform any of its obligations hereunder, Landlord may use, apply or retain the whole or any part of the Collateral for the payment of (I) any sum or other sums of money which Tenant may not have paid when due, (ii) any sum expended which Landlord on Tenant's behalf in accordance with the provisions of this Lease, or (iii) any sum which Landlord may expend or be required to expend by reason of Tenant's default, including, without limitation, any damage or deficiency in or from the reletting of the Premises. The use, application or retention of the Collateral, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by law (it being intended that Landlord shall not first be required to proceed against the Collateral) and shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. If any portion of the Collateral is used, applied or retained by Landlord for the purposes set forth above, Tenant agrees, within ten (10) days after the written demand therefore is made by Landlord, to deposit cash with the Landlord in an amount sufficient to restore the Collateral to its original amount.

(ii) In no event shall the Collateral be deemed to be an advance of payment of rent.

(iii) Landlord shall have no obligation to pay any interest on the Collateral.

(iv) In the absence of evidence satisfactory to Landlord of any permitted assignment of the right to receive the Collateral, or of the remaining balance thereof, Landlord may return the same to the original Tenant, regardless of one or more assignments of Tenant's

interest in this Lease or the Collateral. In such event, upon the return of the Collateral, or the remaining balance thereof to the original Tenant, Landlord shall be completely relieved of liability under this Section 37 or otherwise with respect to the Collateral.

(v) Tenant acknowledges that Landlord has the right to transfer its interest in the Land and Building and in this Lease and Tenant agrees that in the event of any such transfer, Landlord shall have the right to transfer the Collateral to the transferee. Upon the delivery by Landlord to Tenant of such transferee's written acknowledgment of its receipt of such Collateral, Landlord shall thereby be released by Tenant from all liability or obligation for the return of such Collateral and Tenant agrees to look solely to such transferee for the return of the Collateral.

(vi) The Collateral shall not be mortgaged, assigned or encumbered in any manner whatsoever by Tenant without the prior written consent of Landlord.

(vii) So long as Tenant is not been otherwise in default Tenant shall have the right to apply the security deposit to basic rent after the end of the fifth lease year.

(c) **Security Interest.** To secure the payment of all rent due and to become due hereunder and the faithful performance of this lease by Tenant and to secure all other indebtedness and liabilities of Tenant to Landlord now existing or hereafter incurred, Tenant hereby gives to Landlord an express first and prior contract lien and security interest on all property (including fixtures, equipment, chattels and merchandise) which may be placed in the Leased Premises, and also upon all proceeds of any insurance which may accrue to Tenant by reason of destruction of or damage to any such property and also upon all of Tenant's interest as lessee and rights and options to purchase fixtures, equipment and chattels placed in the Leased Premises (in case of fixtures, equipment and chattels leased to Tenant which are placed in the Leased Premises). All exemption laws are hereby waived in favor of such lien and security interest and in favor of Landlord's statutory lien. This lien and security interest is given in addition to the Landlord's statutory lien and shall be cumulative thereto. This lien and security interest may be foreclosed in accordance with the provisions of the Illinois Commercial Code. Contemporaneously with the execution of this Lease (and if requested hereafter by Landlord), Landlord shall file a Uniform Commercial Code Financing Statement in sufficient form so that when properly filed, the security interest hereby given shall thereupon be perfected. If requested hereafter by Landlord, Tenant shall also execute and deliver to Landlord a Uniform Commercial Code Financing Statement change instrument in sufficient form to reflect any proper amendment of, modification in or extension of the aforesaid contract lien and security interest hereby granted. Landlord shall, in addition to all of its rights hereunder, also have all of the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of Illinois.

37. **FORCE MAJEURE.** In the event that Landlord or Tenant shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed (a "Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God, labor, material or supply unavailability ("Force Majeure Event"), then the performance of such Required Act shall be excused for the period of delay, and the time period for performance of the Required Act shall be extended by the same number of days in the period of delay. For purposes of this Lease, the financial inability of Landlord to perform any Required Act, including (without limitation) failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (i) that the

weather conditions were abnormal for the time and could not have been reasonably anticipated and (ii) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood or other natural phenomena of normal intensity for the locality where the Premises are located. Notwithstanding anything herein to the contrary "Stay at Home", "Executive Orders" or other such restriction(s) imposed by the United States government or the State of Illinois or local county or municipal authorities arising from or related to pandemics, including but not limited to COVID-19, shall not be Force Majeure Events and no Force Majeure Event shall excuse payment of any financial obligation of Tenant pursuant to the terms of this Lease, including but not limited to the payment of Rent.

38. **OFAC.** Tenant represents and warrants to Landlord that neither Tenant nor any affiliate or representative of Tenant (i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("OFAC") pursuant to Executive Order number 13224, 66 Federal Register 49079 (September 25, 2001) (the "Order"); (ii) is listed on any other list of terrorists or terrorist organizations maintained pursuant to the Order, the rules and regulations of the OFAC or any other applicable requirements contained in any enabling legislation or other executive orders in respect of the Order (the Order and such other rules, regulations, legislation or orders are collectively called the "Orders"); (iii) is engaged in activities prohibited in the Orders; or (iv) has been convicted, pleaded nolo contendere, indicted, arraigned or detained on charges involving money laundering or predicate crimes to money laundering. In the event any of the representations in this Section are determined to be false now or at any time during the Lease Term, Tenant shall be deemed to have committed an incurable default, entitling Landlord, in addition to all other remedies at law or in equity, to terminate this Lease on five (5) days written notice to Tenant.

39. **ELECTRONIC DELIVERY; COUNTERPARTS.** This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .peg or similar attachment to electronic mail (any such delivery, an "Electronic Delivery") shall be treated in all manner and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto or thereto shall re-execute the original form of this Agreement and deliver such form to all other parties. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

[Signature Pages to Follow]

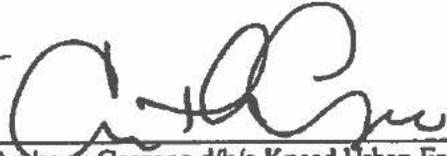
LANDLORD:

TENANT:

FIRST STREET DEVELOPMENT, LLC
an Illinois limited liability company

By: _____

Managing Member



Anthony Gargano d/b/a Knead Urban Eatery

EXHIBIT A

LEGAL DESCRIPTION

Lot One

THAT PART OF LOT THREE IN THE AMENDED PHASE II FIRST STREET REDEVELOPMENT SUBDIVISION OF PART OF THE EAST OF THE SOUTHWEST QUARTER OF SECTION TWENTY-SEVEN AND THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION THIRTY-FOUR, TOWNSHIP FORTY NORTH, RANGE EIGHT EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING ABOVE A VERTICAL PLANE OF 689.86 FT. AND BELOW A VERTICAL PLANE OF 707.66 FT. BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEASTERLY CORNER OF SAID LOT THREE; THENCE SOUTH 11 DEGREES 54 MINUTES 23 SECONDS EAST BEING AN ASSUMED BEARING ON THE EASTERLY LINE OF SAID LOT THREE, A DISTANCE OF 142.67 FT. TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 11 DEGREES 54 MINUTES 23 SECONDS EAST A DISTANCE OF 238.72 FT. TO A POINT OF CURVE; THENCE SOUTHWESTERLY 44.24 FT. ALONG AN ARC CONCAVED TO THE SOUTHEAST HAVING A RADIUS OF 28.00 FT., WITH A CHORD BEARING OF SOUTH 33 DEGREES 21 MINUTES 37 SECONDS WEST, AND A CHORD DISTANCE OF 39.78 FT.; THENCE SOUTH 78 DEGREES 37 MINUTES 37 SECONDS WEST A DISTANCE OF 26.24 FT.; THENCE NORTH 11 DEGREES 54 MINUTES 48 SECONDS WEST A DISTANCE OF 33.22 FT.; THENCE SOUTH 78 DEGREES 05 MINUTES 12 SECONDS WEST A DISTANCE OF 0.67 FT.; THENCE NORTH 11 DEGREES 54 MINUTES 48 SECONDS WEST A DISTANCE OF 233.25 FT.; THENCE NORTH 78 DEGREES 05 MINUTES 12 SECONDS EAST A DISTANCE OF 55.20 FT. TO THE POINT OF BEGINNING ALL IN KANE COUNTY, ILLINOIS. INCLUDING THAT PART OF LOT THREE DESCRIBED ABOVE LYING BELOW THE VERTICAL PLANE OF 689.76

Initials: _____

A.G.

EXHIBIT B
SPACE PLAN

Initials: AG.

EXHIBIT C

TENANT'S WORK

1. GENERALLY.

(a) Tenant will be responsible for providing all finish work within the exterior walls of the Premises. Accordingly, the "Tenant's Work" includes all work of Tenant to prepare the Premises for occupancy by Tenant.

(b) Tenant is responsible for letting contracts relating to the construction and installation of Tenant's Work, supervision and completion of Tenant's Work and payment therefore, procurement of all permits and permissions related to Tenant's Work, compliance with Governmental Requirements and payment of all fees and charges incurred in connection therewith. Landlord shall reasonably cooperate in connection with Tenant's Work.

(c) Tenant shall impose and enforce all terms hereof on any architect, engineer, designer, contractor and workmen engaged by Tenant, its contractors and subcontractors.

2. TENANT'S DRAWINGS.

(a) Prior to commencing any of Tenant's Work, Tenant shall prepare and furnish to Landlord, at Tenant's cost and expense, in compliance with Governmental Requirements, a complete set of working drawings ("Tenant's Drawings") covering Tenant's Work. Tenant's Drawings shall be certified (sealed) by an architect duly registered in the State of Illinois.

(b) After Tenant submits Tenant's Drawings to Landlord, Landlord shall have ten (10) days to approve or disapprove Tenant's Drawings, which approval shall not be unreasonably withheld, conditioned or delayed, and in the event Landlord does not approve the same, Landlord shall advise Tenant of Landlord's comments to Tenant's Drawings. Failure by Landlord to approve or disapprove Tenant's Drawings within the time limits prescribed herein shall constitute an approval by Landlord. In the event Landlord disapproves Tenant's Drawings, Tenant shall incorporate Landlord's comments into Tenant's Drawings and resubmit the same to Landlord within five (5) days following Tenant's receipt of Landlord's comments thereto. Following Landlord's receipt of the revised Tenant's Drawings, Landlord shall have ten (10) days to approve or disapprove the revised Tenant's Drawings, which approval shall not be unreasonably withheld, conditioned or delayed. In the event Landlord does not approve the same, the procedures set forth herein shall be followed until such time as Landlord has approved the revised Tenant's Drawings. Tenant's Drawings shall be approved by Landlord and Tenant by affixing thereon the signature or initials of an authorized officer or employee as each of their respective parties hereto and shall be incorporated by reference as Exhibit C-1. The signature of an authorized officer or employee shall be deemed conclusive evidence of the approval indicated by such signature. Landlord and Tenant agree to appoint competent personnel to work with the other party in the preparation of Tenant's Drawings.

Initials: 

(c) In the event Tenant desires to modify or change Tenant's Drawings after the same have been approved in the manner provided above, and such modification or change would constitute a major scope revision, Tenant shall submit such modification or change to Landlord for review and consideration and the procedures governing approval of Tenant's Drawings shall apply to any such modification or change except that Landlord shall have five (5) days to approve or disapprove any such modification or change.

3. TENANT'S WORK.

(a) At its own expense, Tenant shall provide all design, engineering, plans, specifications, drawings, permits, fees, work, labor, skill and equipment required to complete the Premises for occupancy, and shall construct Tenant's Work in accordance with Tenant's Drawings, approved in the manner set forth herein.

(b) No construction work shall be undertaken or commenced by Tenant until: (i) Tenant's Drawings have been submitted to and approved by Landlord as aforesaid; and (ii) all necessary building permits and required insurance coverage have been secured and certificates of insurance delivered to Landlord.

(c) Tenant shall proceed with its work expeditiously, continuously, and efficiently.

(d) Tenant's Drawings and the improvements contemplated thereby shall be in compliance with Governmental Requirements and in accordance with good engineering and architectural practice.

4. TENANT'S ACCESS FOR COMPLETION OF TENANT'S WORK.

(a) Tenant and its architects, designers, engineers, contractors and workmen employed by Tenant shall have access to and non-exclusive use of the Premises to perform Tenant's Work and such other work approved by Landlord as Tenant may desire. All contractors and subcontractors engaged by Tenant shall be experienced in construction of improvements of the type and character contemplated by Tenant's Drawings and shall be bondable and licensed contractors.

(b) Landlord and Tenant shall reasonably cooperate with each other to coordinate performance of Tenant's Work and Tenant's construction operations at the Premises including taking such actions as may be reasonably required to accommodate each party's critical path construction schedule. Tenant shall at all times keep the Premises and adjacent areas free from accumulations of waste material or rubbish caused by its suppliers, contractors or workmen. Upon completion of Tenant's Work, Tenant shall notify Landlord that Tenant's Work has been completed and is available for inspection for conformance with the approved Tenant's Drawings.

5. INSURANCE; PAYMENT DOCUMENTATION.

(a) Prior to commencement of Tenant's Work, Tenant shall obtain, at its sole expense, and maintain during the performance of Tenant's Work, the following insurance coverage:

Initials: 

(i) Workers' compensation insurance covering all persons directly employed by Tenant in connection with Tenant's Work and with respect to which death or injury claims could be asserted against Tenant, Landlord, the Premises or any interest therein, with limits not less than as required by statute, together with employer's liability coverage with limits of not less than \$250,000.00 per occurrence;

(ii) Comprehensive general liability insurance with a combined single limit of not less than \$2,000,000.00 on an occurrence basis, which policy(ies) shall: (a) name Landlord as an additional insured; (b) be written by insurance companies licensed to do business in the State of Illinois; (c) provide that such policy(ies) may not be canceled by the insurer without giving Landlord at least 30 days' prior written notice; (d) protect and insure Landlord on account of any loss or damage arising from injury or death to persons or damage or destruction to property caused by any act or omission of Tenant, or its respective agents, employees, licensees, invitees or contractors on any portion of the Premises; and (e) include contractual liability coverage insuring Tenant's indemnity obligations provided for herein; and

(iii) All Risk Builders Risk insurance.

(b) Tenant shall defend, indemnify and hold harmless Landlord from and against any claim for death, bodily injury or damage to the Premises related to the construction of Tenant's Work, provided Landlord tenders defense of any such claim to Tenant in sufficient time to avoid prejudice to Tenant, and Tenant shall defend the same with counsel of its own selection and reasonably acceptable to Landlord.

6. **MECHANIC'S LIEN.** Tenant shall not suffer or permit any mechanic's lien or other lien to be filed against the Premises, or any portion thereof, by reason of Tenant's Work. If any such mechanic's lien or other lien shall at any time be filed against the Premises, or any portion thereof, Tenant shall cause the same to be discharged of record within 30 days after the date Tenant receives notice of the filing of the same, or Tenant may contest such lien claim in accordance with applicable law provided Tenant diligently prosecutes such contest to completion. Upon the final determination of any such contest, Tenant shall pay the amount of such lien or part thereof, if any, as finally determined in such contest, together with any costs, fees, including reasonable attorneys' fees, interest, penalties, fines and other liability in connection therewith. Subject to Tenant's foregoing contest right, if Tenant shall fail to discharge such mechanic's lien or liens or other lien as aforesaid, then, in addition to any other right or remedy of Landlord, after 30 days' prior written notice to Tenant, Landlord may, but shall not be obligated to, discharge the same in any manner as is now or may in the future be provided by present or future law for the discharge of such lien as a lien against the Premises, or any portion thereof. Any amount paid by Landlord, together with all costs, fees and expenses in connection therewith (including reasonable attorneys' fees of Landlord), shall be repaid by Tenant to Landlord on demand by Landlord and if unpaid may be treated as Additional Rent.

Initials: 

EXHIBIT C-1
TENANT'S DRAWINGS

Initials: 

**EXHIBIT D
THE PLAZA BUILDING
RULES AND REGULATIONS**

1. Vestibules, halls, stairways, elevators, and other common areas and facilities of a similar nature must remain unobstructed, and will be used only for normal transit.

2. Common area lobbies, vestibules, hallways, stairways, elevators, and other common areas and facilities of a similar nature will not be used for storage or placement of any furniture, packages, or objects of any kind.

3. Children will not be permitted to loiter or play in the lobbies, vestibules, hallways, stairways, elevators, and other common areas and facilities of a similar nature.

4. Hanging, cleaning, or beating garments, rugs, or the like from or on the windows, terraces, or facades of the building, or in lobbies, vestibules, hallways, stairways, or other common areas of a similar nature, is prohibited.

5. Throwing garbage or trash outside disposal installations provided for these purposes is prohibited.

6. Tenants will require their trades people to use elevators when transporting packages, merchandise or other objects in a manner that does not adversely affect the comfort and well-being of passengers in elevators devoted to the transportation of owners, occupants, and guests.

7. All damage to common areas caused by the moving or carrying of articles will be the responsibility of, and will be paid for by the tenant or person in charge of the articles.

8. No tenant, occupant, or licensee will post his or her name or any other notice in any lobby, vestibule, hallway, stairway or other building area except in places provided for this purpose.

9. Units will be occupied and used by respective tenants only as provided in their lease.

10. Tenants will exercise extreme care about making noise or playing music that may disturb other occupants.

11. No animals bred, raised or kept in any office unit for any purpose.

12. Tenants will not take or cause to be taken within their units any action which would jeopardize the soundness or safety of any part of the Project or impair any easement or right appurtenant or affect the common elements without the unanimous consent of all unit owners who might be affected.

13. Tenants will not permit anything to be done or kept in their units that would increase the rate of fire insurance on their unit or on the Project as a whole.

Initials: 

14. No lessee or licensee will install wiring for electrical or telephone installation, television antenna, machines or air conditioning units or the like on the exterior of the project which protrude through the walls or the roof of the project except as authorized by the Landlord or as provided in Design and Sign Criteria attached to lease as an Exhibit E.

15. Draperies, shades, awnings, curtains or the like other than those approved by the Landlord and as provided in Design and Sign Criteria attached to lease as an Exhibit E, will not be used, and no signs of any kind will be placed in or on windows, doors, terraces, facades, or other exterior surfaces of the building except as provided in Design and Sign Criteria attached to lease as an Exhibit E and approved by Landlord.

16. Water will not be kept running for an unreasonable and unnecessary length of time.

17. Each Tenant will promptly perform all maintenance and repair work within his or her unit that, if omitted, would affect any common areas, any portion of the property leased or belonging to others or the building as a whole. Each tenant will be responsible for all damages and liabilities that any failure to maintain or repair may cause.

18. No immoral, improper, offensive, or unlawful use will be made of unit or any part of it, and each tenant will, at his or her own expense, comply with all city, state, and federal laws, statutes, ordinances, regulations, orders, or requirements affecting his or her unit.

19. Each Tenant will provide the managing agent with any key or keys necessary to gain access to leased unit, and no tenant shall alter any lock or install any new lock on any door providing access to his or her unit without managing agent's or Landlord's prior written consent.

20. There shall no smoking in the building, including but not limited to apartments, hallways, stairwells entrance ways and lobbies. This restriction shall apply to tenants and tenant's invitees and guests .Smoking means the burning, inhaling or exhaling of any lighted pipe, cigar, cigarette, hookah, weed, herbs, tobacco or any other lighted smoking equipment

Landlord reserves the right to amend, repeal or add to these rules and regulations as may be deemed necessary for the safe and efficient maintenance of the building and for the comfort and convenience of its occupants.

Initials: 

EXHIBIT E

PERSONAL GUARANTY

THIS GUARANTY OF LEASE ("Guaranty") is made as of the ____ day of September 2020, by Anthony Gargano ("Guarantor"), in favor of First Street Development, LLC, an Illinois limited liability company ("Landlord").

1. In consideration of and to induce the execution and delivery of that certain Plaza Center Lease (the "Lease") to be entered into on or about September ,2020 by and between Landlord and Anthony Gargano ("Tenant"), for a certain premises more particularly described in the Lease,

Guarantors:

(a) Guarantor unconditionally guarantees to Landlord the full, faithful and punctual payment, performance, fulfillment and observance of the obligations and liabilities of Tenant under the Lease (collectively the "Guaranteed Obligations");

(b) Guarantor waives notice of and consents to any and all amendments, modifications, extensions and renewals of the Lease any and all assignments, transfers, subleases, and other action that may be permitted thereunder by Tenant or Landlord, any and all other amendments, modifications, extensions, and renewals, any and all other advances, extensions, settlements, compromises, favors and indulgences, any and all other receipts, substitutions, additions and releases of persons primarily or secondarily liable now or in the future, any and all acceptances by Landlord of negotiable instruments, commercial paper and other property, and agrees that none of the foregoing, should there be any, shall discharge or affect in any way the liability of the undersigned hereunder;

(c) Guarantor agrees that all rights and remedies of Landlord under the Lease and this Guaranty shall survive and not be affected by any discharge, moratorium or other relief granted any person primarily or secondarily liable in any proceeding under federal or state law relating to bankruptcy, insolvency or the relief or rehabilitation of debtors, or any disaffirmance or rejection of the Lease in such proceedings, and any consent by Landlord to, or participation by Landlord in the proceeds of, any assignment, trust or mortgage for the benefit of creditors, or any composition or arrangement of debts, may be made without the undersigned being discharged or affected in any way thereby;

(d) Guarantor waives any right to require marshaling or exhaustion of any right or remedy against any person, collateral or other property;

(e) Guarantor waives presentment, demand, protest and notice of default, nonpayment and protest and all demands, notices and suretyship defenses generally;

(f) Guarantor agrees that if Tenant shall be in default under the Lease beyond any applicable cure period, Landlord may have and maintain an action upon this Guaranty against any Guarantor, and in like manner may have and maintain successive actions

Initials: AG.


(g) Upon this Guaranty for each and every other such default; Guarantor expressly agrees that his obligations hereunder shall not be exhausted by any such action or by any number of such successive actions until and unless each of the Guaranteed Obligations shall have been fully performed;

(h) Guarantor agrees that Landlord may proceed against any Guarantor under this Guaranty without initiating or exhausting any remedy against the Tenant, and may proceed against Tenant or Guarantor under the Lease separately or concurrently.

(i) Guarantor agrees that that this Guaranty shall be continuing;

(j) Guarantor agrees that Landlord shall not be required to pursue any remedies that it may have against Tenant or pursue any security or other parties as a condition to the enforcement of this Guaranty;

(k) Guarantor agrees that any Guarantor may be joined in any action against Tenant or any other guarantor of the Lease and that recovery may be had against any Guarantor in such action, or in any independent action against the Guarantor;

(l) Guarantor agrees that this Guaranty shall not in any way be affected or impaired by reason of Landlord asserting against Tenant any rights or remedies reserved to Landlord pursuant to the Lease, or available at law or in equity, including any termination of the Lease or re-entry into the Premises. Guarantor agrees that Landlord may proceed against any Guarantors under this Guaranty without initiating or exhausting any remedy against the Tenant, and may proceed against Tenant or Guarantor under the Lease separately or concurrently

(m) Guarantor agrees that if at any time payment of any of Tenant's obligations under the Lease is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of Tenant or any other guarantor of the Lease, the obligations of the Guarantor with respect to such payment shall be reinstated at such time as though such payment had not been made;

(n) Guarantor agrees that during the term of this Guaranty until all Guaranteed Obligations are fully paid and satisfied, no Guarantor: (a) shall have a right of subrogation against Tenant by reason of a Guarantor's performance under this Guaranty; (b) waive any right to enforce any remedy which Guarantor now has or may hereafter have against Tenant by reason of Guarantor's performance under this Guaranty.

2. The terms of this Guaranty shall not be modified, discharged, waived or terminated except by an agreement in writing signed by Guarantors and Landlord.

3. This Guaranty shall bind each Guarantor and their successors, assigns, heirs, legatees, devisees, administrators and executors. This Guaranty may be freely assigned, transferred or hypothecated by Landlord and shall run in favor and inure to the benefit of Landlord, its successors and assigns, and each subsequent holder of Landlord's interest under the Lease. References to the term "Tenant" shall be deemed to include Tenant's successors and assigns.

Initials: 

4. This Guaranty shall be governed by and construed in accordance with Illinois law. Guarantor agrees to be subject to the jurisdiction of the courts of Illinois, to accept service of process in any action brought in Illinois, and the Guarantor waives any objection to personal jurisdiction in such action.

5. Notices to Guarantor shall be sent to:

Any such notices shall be either (a) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered three business days after deposit, postage prepaid in the U.S. Mail, (b) sent by overnight delivery using a nationally recognized overnight courier, in which case it shall be deemed delivered one business day after deposit with such courier, (c) sent by telefax or E-mail, in which case notice shall be deemed delivered upon transmission of such notice, or (d) sent by personal delivery. The above addresses may be changed by written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. Notice may be given by the attorneys for either party

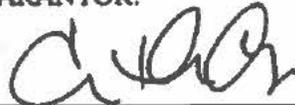
6. Guarantor represents and warrants he has the legal right and capacity to execute this Guaranty.

7. Capitalized terms used herein unless otherwise defined in this Guaranty shall have the meaning given in the Lease.

8. This Guaranty shall otherwise terminate after the third full year of the Initial Lease Term provided that Tenant faithfully and fully performs all of its obligations under the lease including the payment of Rent in a timely manner.

WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

GUARANTOR:



Anthony Gargano, Individually

SS# _____

TEMPORARY BASSET CARD
This document certifies that

JESSICA EVANS

has successfully completed the **BASSET On The Fly**
ON-PREMISE BASSET certification course

CERTIFICATE #/STUDENT ID: 12260

ISSUE DATE: 11/18/2022 *Dustin Meyers*

*PER ILCC RULES, THIS TEMPORARY BASSET CARD IS VALID FOR 30 DAYS

BASSET ON THE FLY

2626 Cole Ave, Suite 300 #512, Dallas, TX 75204 | 312-366-3383 | support@bassetonthe-fly.com
Licensed by the Illinois Liquor Control Commission (ILCC). License #5A-1141597.

BASSET ON THE FLY

2626 Cole Ave, Suite 300 #512, Dallas, TX 75204
312-366-3383
support@bassetonthe-fly.com
www.bassetonthe-fly.com

Per ILCC rules, this temporary BASSET card is valid for 30 days only. Your official 3-year BASSET card will be mailed by the Illinois Liquor Control Commission (ILCC).

Within 10 days of issuance, this certification should appear in the Illinois Liquor Control Commission's online database at www.ilcc.illinois.gov. If not, please contact us.



Receipt

Date: December 19, 2022

Received From:
 Knead, LLC
 DBA Fox Den Cooking
 131 S 1st St
 St. Charles, IL 60174

Need to be fingerprinted?
 Please contact the
**St. Charles Police Department for an
 appointment: 630-377-4435**
 1515 W. Main Street

Payment Method	Check No.	Received From
Cash		Jessica Evans

Qty	Cost	Description	Account Code	Fee
1	\$200.00	Liquor License Class A - Packaged	100999-42100	\$ -
		Liquor License Class B - Restaurants	100999-42101	\$ 200.00
		Liquor License Class C - Tavern/Bar	100999-42102	\$ -
		Liquor License Class D - Specific	100999-42103	\$ -
		Liquor License Class E - Temporary	100999-42104	\$ -
		Liquor Viloations Fee	100999-42290	\$ -
		Massage Establishment License Fee/Renew	100999-42205	\$ -
		Business Licenses/Permits	100999-42200	\$ -
		Towing License	100999-42202	\$ -
		Scavenger/Refuse License	100999-42203	\$ -
		Bowling Alley License	100999-42204	\$ -
		Billiard License	100999-42206	\$ -
		Carnival License/Fees	100999-42210	\$ -
		Coin-Operated Amusement	100999-42220	\$ -
		E-Cigarettes/Tobacco Specialty Store	100999-42230	\$ -
		Cigarette OTC	100999-42231	\$ -
		Theater License	100999-42240	\$ -
		Fingerprint Fee (\$50 per person)	100900-20618	\$ -
		Legal Fees	100120-54110	\$ -
		Miscellaneous Revenue	100999-46299	\$ -
		Liquor License Violations	100999-42120	\$ -
		Tobacco/Massage Violations	100999-42290	\$ -
		Video Gaming	100999-42225	\$ -
			Total	\$ 200.00

Thank you for your business!



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item Number: 4c

Title:

Recommendation to Approve an Application for a Massage Establishment License for Vanilla Healthcare dba Massage Therapy at 615 S. Randall Rd., Suite 100, St. Charles, IL

Presenter:

Police Chief Keegan

Meeting: Government Operations Committee

Date: January 17, 2023

Proposed Cost: \$

Budgeted Amount: \$

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

Vanilla Healthcare dba Massage Therapy, located at 615 S. Randall Rd., Suite 100, submitted an application for a massage license.

The background investigation has been completed. Please see the attached packet for further information.

Before being presented to this Committee, this item was discussed at the Liquor Control Commission meeting at 4:30 pm on January 17, 2023. On Monday, February 6, 2023, the City Council will take a final vote on this item.

Attachments *(please list):*

Massage Establishment Application
Background Check
Site Plan
Business Plan

Recommendation/Suggested Action *(briefly explain):*

Recommendation to approve an application for a Massage Establishment License for Vanilla Healthcare dba Massage Therapy located at 615 S. Randall Rd., Suite 100, St. Charles, IL.



Memo

Date: 1/13/2023

To: Lora Vitek, Mayor-ATM Commissioner

From: James Keegan, Chief of Police

A handwritten signature in black ink, appearing to be "J. Keegan", written over the printed name of the Chief of Police.

Re: Background Investigation: Vanilla Health Care-615 S. Randall Road, Unit 100

The purpose of this memorandum is to document and forward to your attention the results of the background investigation conducted by members of the St. Charles Police Department concerning the above-mentioned establishment.

As is customary procedure, a detective was assigned to this investigation and reviewed not only the site location via an inspection, but also the corresponding application and applicants.

We found nothing of a derogatory nature that would preclude either the site location or the applicants from moving forward with a massage license, subject to Council/Commission approval. This is an appointment and walk-in facility.

Thank you in advance for your consideration in this matter. The police department has no objections to this licensure and the applicants were briefed on both our massage ordinance and the proactive measures we undertake in ensuring compliance with our regulations.



Memo

Date: 01/06/2022
To: Chief Keegan (via chain of command)
From: Detective C. Crumlett #355 *CC #357*
Re: Massage License Background, Wenwu Lu and Yuetong Lu (Vanilla Health Care Corp.)

The purpose of this memo is to document the background investigation of Wenwu Lu and Yuetong Lu pursuant to his application for a massage establishment license for Vanilla Health Care Corp located at 615 S. Randall Rd. Unit 100

Applicants:

Lu, Wenwu

DOB: [REDACTED]

Chicago, IL 60616

Lu, Yuetong

DOB: [REDACTED]

Chicago, IL 60616

Vanilla Health Care Corp is located at 615 S Randall Rd., unit 100.

Wenwu Lu currently runs two massage therapy business under the name Vanilla Health Care Corp. The first is located at 6078 1/2 N. Crawford Ave., Lincolnwood, IL and the second is at 6052 Irving Park Rd, Chicago. Yuetong Lu is listed as the manager for Vanilla Health Care Corp. at 615 S. Randall Rd., unit 100. Yuetong Lu has no previous work history. Yuetong Lu is the son of Wenwu Lu.



Records Check:

Wenwu Lu

- Wenwu Lu resides in Chicago. A search of Chicago Police Department database (Clear) revealed no contacts.
- Wenwu Lu is an Illinois resident and a U.S. Citizen.
- A search of the Kane County Circuit Clerk website revealed no cases of any kind involving Wenwu Lu.
- Wenwu Lu submitted a set of fingerprints to the St. Charles Police Department. The response indicated there was nothing that would prohibit Wenwu Lu from getting a Massage License.
- A search of TLOxp, a law enforcement database was conducted and no criminal history was found for Wenwu Lu.
- A search of the St. Charles Police records was conducted and no contact were located for Wenwu LU
- Wenwu Lu currently holds two business licenses both under the name Vanilla Health Care Corp. One located at 6708 ½ N. Crawford Ave in Lincolnwood. This business license is in good standing with the village and was issued in June of 2021. The second is located at 6052 Irving Park Rd. in Chicago. This business license is in good standing and was issued in October of 2021.

Yuetong Lu

- Yuetong Lu submitted a set of fingerprints to the St. Charles Police Department. The response however, has not been received.
- Yuetong Lu resides in Chicago. A search of Chicago Police Department database (Clear) revealed no contacts
- Yuetong Lu is an Illinois resident and a U.S. Citizen.
- A search of the Kane County Circuit Clerk website revealed no cases of any kind involving Yuetong Lu.
- A search of TLOxp, a law enforcement database was conducted and no criminal history was found for Yuetong Lu.
- A search of the St. Charles Police records was conducted and no contact were located for Yuetong Lu.

Neither Wenwu Lu nor Yuetong Lu have a massage therapist license issue to them by the state of Illinois. The application included two employees of Vanilla Health Care Corp., Liping Ren and Lei Cai. A copy of Liping Ren and Lei Cai's state of Illinois issued massage therapist licenses were included with the application and both of their licenses are valid through 12/31/2024. I looked both Liping Ren and Lei Cai's licenses up in the Illinois Department of Financial and Professional Regulations website. Both licenses were stated to be active and valid thru 12/31/2024.

Liping Ren shows an address of [REDACTED] Chicago, IL 60616 on her massage therapist license. Lei Cai shows an address of [REDACTED] Flushing, NY 11355, but I was informed that Lei Cai is also currently living at [REDACTED] Chicago, IL 60616.

Wenwu Lu provided a copy of his liability insurance which covers the Vanilla Health Care Corp. for commercial general liability. A copy of the floor plan was included with the application that indicated there were four rooms, an office, one washroom and a utility area in the rear of the unit. It is estimated to be approximately 1150 square feet.

Site Visit:

A site was conducted on 01/06/2023. The layout was consistent with the floorplan that was submitted with the application and met city ordinance specifications.

Vanilla Health Care Corp. indicated their hours of operation would be 10am to 8pm seven days a week by both appointment and/or walk in service.

This concludes this background investigation.

CwC #355



DEPARTMENT: MAYOR'S OFFICE

PHONE: 630.377.4422

MASSAGE ESTABLISHMENT LICENSE APPLICATION

Annual License Application Fee: \$250.00 Fingerprint Fee: \$50.00 (if new owner)

Application must be completed in full and notarized before it will be accepted.

All fees must be paid at the time the application is submitted and a current certificate of insurance must be included with this application.

NOTE: Applicant must be fingerprinted by the St. Charles Police Department and must provide two passport-size photographs (2 x 2 inches, head and shoulders area, facing forward) with this application.

1. New License Application Renewal Application

2. Please select the option that best describes your business:

Corporation Partnership Individual

3. Business Name: Vanilla Health Care Corp. Sales Tax#: 87-0868537

Business Address: 6052 Irving Park Rd. Chicago, Ill. 60634 Business Phone: (312) 483-6832

4. Name of Applicant: WENWU LU Home Phone: [REDACTED]

Home Address: [REDACTED] City/Zip: Chicago, Ill. 60616

Email Address: [REDACTED] Social Security #: [REDACTED] Date of Birth: [REDACTED]

Driver's License #: [REDACTED] Issuing State: Illinois

****Must include a photocopy of government issued identification card.**

5. Have you ever been convicted of a criminal or ordinance violation? (other than minor traffic offences):

Yes No

6. If yes, explain in detail:

7. Days/Hours of Operation: 10 am - 8 pm/7 days

8. Will the business be supervised and conducted by a manager?: Yes/No YES

If no, please explain:

9. Name of Manager: Yuetong Lu Home Phone: [REDACTED]

Home Address: [REDACTED] City/Zip: Chicago, Ill. 60616

Social Security #: [REDACTED] Date of birth [REDACTED]

10. List as indicated previous three years' employment history: NONE Yuetong Lu has been unemployed for the last three years

Employer: none Phone: _____

Address: _____ Occupation: _____

Dates of employment: From: _____ To: _____

Employer: none Phone: _____

Address: _____ Occupation: _____

Dates of employment: From: _____ To: _____

Employer: none Phone: _____

Address: _____ Occupation: _____

Dates of employment: From: _____ To: _____

11. Has the manager ever been convicted of a criminal or ordinance violation (other than minor traffic offenses): Yes/No NO

If yes, explain in detail:

12. Will you operate by appointment only? Yes/No NO

13. If you answered Yes to #12, will walk-ins be accepted? Yes/No _____

14. License and/or permit history. List all prior Massage Licenses/Permits and current status (use additional sheet if needed):

Issuing authority: Village of Lincolnwood Status: Current Business licenses
Issuing authority: City of Chicago 10/18/2021 Status: Current License certificate

15. Have you or any of your licensed massage therapists been sanctioned by the Illinois Department of Professional Regulation concerning your licensure? As a reminder and per Illinois law, all Massage Therapists practicing inside the State of Illinois must be licensed by State of Illinois. Out of state licensees are NOT valid in Illinois. Yes/No NO

16. If any prior licenses/permits have been revoked/suspended, state the reason and disposition:

Reason: _____ Disposition: _____
Reason: _____ Disposition: _____

17. Describe the building and specific location within the building where the Massage business will be conducted: The strip mall is approx. 21,575 sq. ft. UNIT 100 is the location of the spa.

****ATTACH A FLOOR LAYOUT/DIAGRAM OF THE BUSINESS****

SEE ATTACHED FLOOR PLAN

Approx sq ft of principal business: 1150 Massage stations: 2 Premises: unit 100

18. Describe other activities or business conducted at this location: NONE

19. List as indicated all massage therapists and employees. This list must be updated with the office of the Liquor Commissioner within 10 days of any employment change.

Name: Liping Ren Home phone: [REDACTED]

Address: [REDACTED] City/Zip: Chicago, IL 60616

Position employed: Massagist

State of Illinois Massage License Number: 227014967

Name: Lei Cai Home phone: [REDACTED]

Address: [REDACTED] City/Zip: Flushing NY 11355

Position employed: Massagist

State of Illinois Massage License Number: 227017938

Name: _____ Home phone: _____

Address: _____ City/Zip: _____

Position employed: _____

State of Illinois Massage License Number: _____

Name: _____ Home phone: _____

Address: _____ City/Zip: _____

Position employed: _____

State of Illinois Massage License Number: _____

This Section for Corporate or Partnership Applications Only

1. List each officer, director or shareholder owning 20% or more stock or controlling interest of the corporation/partnership:

Name	Address	Home Phone #	Date of Birth
NONE			

2. Has any officer, manager, director or shareholder owning 20% or more of the stock of the corporation ever been convicted of a criminal or ordinance violation (other than minor traffic offenses)?

Yes No

3. If yes, explain in detail:



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY):
12/05/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Max Group & Associates 1731 South Canal Street, Unit Suite A1 Chicago IL 60616	CONTACT NAME Cella Lai PHONE (A/C No., Ext.) (773)376-1000 E-MAIL ADDRESS cellalal@maxgroupins.com FAX (A/C No.) (773)376-8389
INSURED Vanilla Health Care Corp DBA Massage Therapy 615 S Randall Rd Ste 100 Saint Charles IL 60174-1564	INSURER(S) AFFORDING COVERAGE INSURER A: Fidelity & Guaranty Ins Co INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: CL2212520090 REVISION NUMBER:

WE HEREBY CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAME(S) ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	ADDL INSD	SUBR	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER <input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> PASSENGER <input type="checkbox"/> TRUCKS ONLY <input type="checkbox"/> TRUCKS ONLY <input type="checkbox"/> TRUCKS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON OWNED AUTOS ONLY <input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ <input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> Y/N N/A <small>EXCEPT PARTNER/EXECUTIVE OFFER/LENDER EXCLUDED? (Mandatory in NH) If describe under DESCRIPTION OF OPERATIONS below</small>				BIP2W509904	12/05/2022	12/05/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$ COMBINED SINGLE LIMIT (Ea occurrence) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ EACH OCCURRENCE \$ AGGREGATE \$ \$ PER STATUTE OTHER E L EACH ACCIDENT \$ E L DISEASE - EA EMPLOYEE \$ E L DISEASE - POLICY LIMIT \$

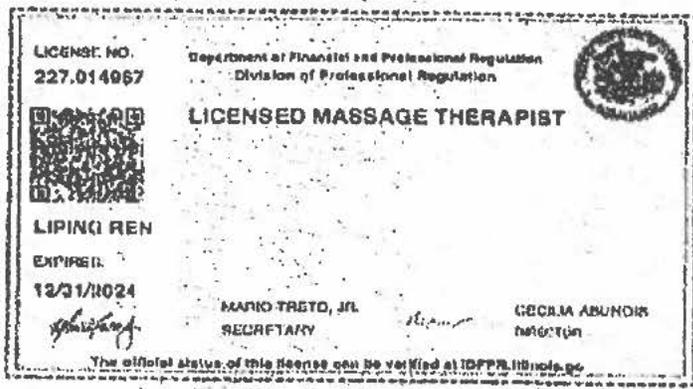
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 107, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER City of St Charles 2 E Main Street St Charles IL 60174	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Grace J Yang</i>
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Cut on Dotted Line

For future reference, IDFPR is now providing each person/business a unique identification number, 'Access ID', which may be used in lieu of a social security number, date of birth or FEIN number when contacting the IDFPR. Your Access ID is: 3713484



Cut on Dotted Line



Illinois Department of Financial and
Professional Regulation

Lookup Detail View

Contact

Contact Information

Name	City/State/Zip	DBA / AKA
LIPING REN	Chicago, IL 60616	

License

License Information

License Number	Description	Status	First Effective Date	Effective Date	Expiration Date	Ever Disciplined
227014967	Licensed Massage Therapist	ACTIVE	10/26/2012	10/29/2022	12/31/2024	N

Generated on: 1/9/2023 8:51:09 AM



State of Illinois
Department of Financial and Professional Regulation
Division of Professional Regulation

LICENSE NO.
227.017938

The person, firm, or corporation whose name appears on this certificate has complied with the provisions of the Illinois Business Code and is hereby qualified to exercise in the ability as indicated above.

EXPIRES
12/31/2024

LICENSED MASSAGE THERAPIST



LEI CAI
FLUSHING, NY 11355-5108



Mario Nieto Jr.

MARIO NIETO JR.
SECRETARY

Cecilia Abundis

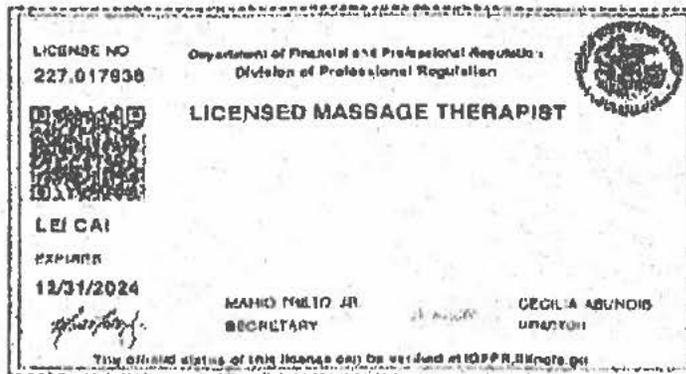
CECILIA ABUNDIS
DIRECTOR

THE OFFICIAL STATUS OF THIS LICENSE MAY BE VERIFIED AT IDFPR.ILGNET.GOV

17721611

Cut on Dotted Line

For future reference, IDFPR is now providing each person/business a unique identification number, 'Access ID', which may be used in lieu of a social security number, date of birth or FEIN number when contacting the IDFPR. Your Access ID is: 3877136



LICENSE NO.
227.017938

Department of Financial and Professional Regulation
Division of Professional Regulation



LICENSED MASSAGE THERAPIST

LEI CAI

EXPIRES
12/31/2024

Mario Nieto Jr.

MARIO NIETO JR.
SECRETARY

Cecilia Abundis

CECILIA ABUNDIS
DIRECTOR

The official status of this license can be verified at IDFPR.ILGNET.GOV

Cut on Dotted Line



Illinois Department of Financial and
Professional Regulation

Lookup Detail View

Contact

Contact Information

Name	City/State/Zip	DBA / AKA
LEI CAI	Flushing, NY 11355	

License

License Information

License Number	Description	Status	First Effective Date	Effective Date	Expiration Date	Ever Disciplined
227017938	Licensed Massage Therapist	ACTIVE	04/20/2015	10/29/2022	12/31/2024	N

Generated on: 1/9/2023 8:50:03 AM

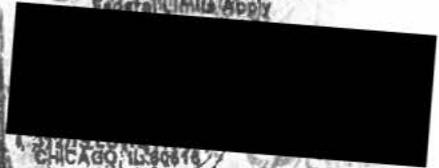
ILLINOIS

John White Secretary of State

USA

DRIVER'S LICENSE

For Renewal Apply



Chicago, Ill. 60616

Sex: D Eyes: NONE

Hair: NONE

HT: 5' 11" WT: 165 LB HAIR: BRN TYPE: ODR

ID# 20210122210072740



[Handwritten signature]

ILLINOIS

Chris White, Secretary of State

USA

DRIVER'S LICENSE

RESTRICTIONS APPLY

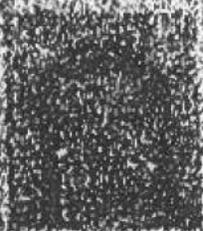


1/08/2021



SEX: NONE

HAIR: NONE



UNITED STATES OF AMERICA

PERMANENT RESIDENT

LU THERAG 18

Surname

LU

Given Name

YUETONG



Date of Birth Sex

18 JAN 1999 M

Card Expires 03/20/25

Resident Since 03/20/14

< Return

Adult Arrests

No Records Found.

Time for the Query to Run 0.10 Seconds

Adult Warrants

No Records Found.

Investigative Alerts

No Records Found.

Time for the Query to Run 0.51 Seconds

Juvenile Arrests

No Records Found.

Time for the Query to Run 0.08 Seconds

Juvenile Warrants

No Records Found.

Time for the Query to Run 0.06 Seconds

Sex Offenders

No Records Found.

Time for the Query to Run 0.06 Seconds

Search Warrants

No Records Found.

Time for the Query to Run 0.08 Seconds

Traffic Stops

Stop No.	Stop Type	Stop Date	Submitting Beat	Name	Birth Date	Age / Sex / Race	Residence Address	District of Residence
TK128196	Traffic Violation	27-DEC-2018 20:15	4111C	REN, Liping		/ F /	IL 60616	009

row(s) 1 - 1 of 1

Time for the Query to Run 0.07 Seconds

Cases - Suspects

RD No.	Occurrence Date	IUCR Name	Birth Date	Age / Sex / Race	Residence Address	District of Residence	Alias
HK202427	24-FEB-2004	1505 REN, Liping	28-MAY-1963	59 / F / A	60647	014	

row(s) 1 - 1 of 1

Time for the Query to Run 0.53 Seconds

IDOC

No Records Found.

Time for the Query to Run 0.04 Seconds

Tactical Response Report (TRR)

No Records Found.





AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item Number: 4d

Title:

Recommendation to approve a Proposal for an A-6 Liquor License Application for Krishudha Ohm LLC dba BP Gas Station Located at 1660 W. Main St., St. Charles.

Presenter:

Police Chief James Keegan

Meeting: Government Operations Committee

Date: January 17, 2023

Proposed Cost: \$

Budgeted Amount: \$

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

Krishudha Ohm LLC dba BP Gas Station, located at 1660 W. Main St., is changing ownership and requesting approval of an A-6 liquor license application for their business.

Please see the background investigation for further information.

Before being presented to this Committee, this item was discussed at the Liquor Control Commission meeting at 4:30 pm on January 17, 2023. On Monday, February 6, 2023, the City Council will take a final vote on this item.

Attachments *(please list):*

Liquor License

Recommendation/Suggested Action *(briefly explain):*

Recommendation to approve a proposal for an A-6 Liquor License for Krishudha Ohm LLC dba BP Gas Station located at 1660 W. Main St., St. Charles.



Memo

Date: 1/9/2023

To: Mayor Lora Vitek-Liquor Commissioner

From: James Keegan, Chief of Police

Re: Background Investigation-BP Gas Station/1660 W. Main Street (Class A-6)

The purpose of this memorandum is to document and forward to your attention the results of the background investigation conducted by members of the St. Charles Police Department concerning the above mentioned establishment.

The site location/floor plans and the corresponding application materials were reviewed by my staff. We also reviewed their business plan. This is an asset sale with new ownership and therefore, operations will be status-quo with that of the existing facility. In addition, we found nothing of a derogatory nature that would preclude the applicant from moving forward with alcohol sales, subject to City Council approval.

Thank you in advance for your consideration in this matter.

CITY OF ST. CHARLES
TWO EAST MAIN STREET
ST. CHARLES, ILLINOIS 60174-1984



DEPARTMENT: MAYOR'S OFFICE

PHONE: 630.377.4422

CIGARETTE/TOBACCO LICENSE APPLICATION
NON-REFUNDABLE

Important: this application must be fully and accurately completed.

New Renewal

\$50 Cigarettes (OTC) \$100 E-Cigarettes Lounge? Y N
 \$100 Tobacco Specialty Stores \$250 Wholesale Distributor

Name of Business Krishudha Ohm LLC Application Date 1-1-2023

D/B/A _____ Specific Type of Business Gas Station

Business Address 1660 W. Main St ST Charles Business Phone 630-443-4462
IL 60174

Description of premises Provided
Provide floor plan as separate attachment

Is the premises owned or leased? Owned Leased *If leased, provide a copy of the lease.*

Applicant/Owner's Name Mehulbhai M Patel Contact Phone # _____

Email _____ Social Security # _____ Date of birth _____

Home Address _____ City/State/Zip Tinley Park, IL 60477

Applicant must be a citizen of the United States, not convicted of a felony under federal or state law, not convicted of a misdemeanor opposed to decency or morality.

Additional Owner/Partner name Ashik R Patel Contact Phone # _____

Email _____ Social Security # _____ Date of birth _____

Home Address _____ City/State/Zip Tinley Park, IL 60477
(add pages for additional partners as necessary)

On Premise Manager Information

Manager I Name Ashik R Patel Contact Phone # _____

Email _____ Social Security # _____ Date of birth _____

Home Address _____ City/State/Zip Tinley Park, IL 60477

Manager 2 Name _____ Contact Phone # _____

Email _____ Social Security # _____ Date of birth _____

Home Address _____ City/State/Zip _____

(add pages for additional managers as necessary)

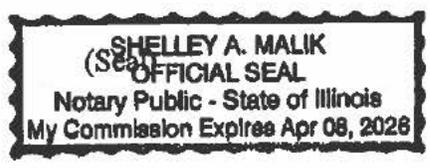
- Has the Applicant made a similar application for a license on any premises other than the premises described in the Application? Yes No
- Has the Applicant or any manager ever been convicted of a felony or otherwise disqualified to receive a license by reason of any matter or thing contained in the laws of Illinois or the ordinances of the City? Yes No
- Has any previous license issued to the Applicant by any State or other governmental unit or agency been suspended or revoked? If yes, state reason(s). Yes No _____
- Does the Applicant affirm that he/she will not violate any of the laws of the state of Illinois or the provisions of this Ordinance in the conduct of business at the location for which the license is proposed? Yes No

By signing this application, the applicant agrees to all the provisions of Chapter 5.16 of the City of St. Charles Municipal Code.

Maulik Patel

Applicant's Signature

Subscribed and sworn before me this 29th day of December, 2022



Shelley A. Malik
Notary Public

Approval Date: 1-9-23

by: [Signature]
Chief of Police

V2020

For Office Use – application checklist:

- | | |
|--|---|
| <input type="checkbox"/> Completed application | <input type="checkbox"/> Floor plan |
| <input type="checkbox"/> Application fee | <input type="checkbox"/> Lease, if property is leased |

LIQUOR APPLICANT BACKGROUND CHECK LIST



APPLICANT(S): Mehulbhai Patel
 BUSINESS: Krishudha OHM LLC / B P Gas Station
 ADDRESS: 1660 W. Mah St, Saint Charles, IL 60174

	REQUESTED	COMPLETED
APPLICATION	_____	<u>X</u>
BUSINESS PLAN/FLOOR PLAN/MENU	_____	<u>X</u>
LEASE (OR LETTER OF INTENT)	_____	<u>X</u>
BASSET CERTIFICATE(S)	_____	<u>X</u>
FINGERPRINTS (<u>ALL</u> MANAGERS)	_____	<u>X</u>
DRAM SHOP (CERTIFICATE OF INSURANCE)	_____	<u>X</u>
TLO	_____	<u>X</u>
I-CLEAR	_____	<u>X</u>
CERTIFICATE OF NATURALIZATION (IF APPLICABLE)	<u>NA</u>	<u>NA</u>
POLICE RECORDS CHECK	_____	<u>X</u>
APPLICANT'S HOMETOWN RESIDENCY LETTER	_____	<u>X</u>
ILLINOIS LIQUOR COMMISSION	_____	<u>X</u>
SITE VISIT	_____	<u>X</u>

* COMMENTS: _____

INVESTIGATOR ASSIGNED: Losurdo 364
 SUPERVISOR REVIEW: E. Mijewski #317



Memo

To: Commander Eric Majewski
From: Detective John Losurdo
Re: Liquor License Background: Krishudha OHM LLC (BP Gas Station) – License
Class: A6 1660 W. Main St., Saint Charles, IL 60174

Applicant

Mehulbhai Patel
DOB: [REDACTED]
[REDACTED]
Tinley Park, IL 60477
Tx: [REDACTED]

Manager/Other Owners

Ashik R. Patel
DOB: [REDACTED]
[REDACTED]
Tinley Park, IL 60487
Tx: [REDACTED]

Application

This application was received on, or around, 12/29/2022. The application included the business' lease agreement, two separate insurance proposals, proof of BASSETT certification for Mehulbhai and Ashik, floor plans, and the business plan. The application was not missing any required documents.

Records Checks

Mehulbhai and Ashik were fingerprinted on 01/03/2023. Responses from both the FBI and Illinois Bureau of Identification show nothing that would cause the license to be denied.

A check of Kane, DuPage, and Cook County court records showed no negative contacts for both Mehulbhai and Ashik.



A check of the following police departments yielded no negative contacts with Mehulbhai and Ashik:

- Chicago
- Saint Charles
- Tinley Park
- Oak Lawn
- Oak Forest
- Evergreen Park

Searches through CLEAR, Aegis Link, Zeus, and New World yielded negative results for both subjects as well.

A check of the Illinois Liquor Control Commission showed that Ashik currently does not hold any liquor licenses but Mehulbhai currently holds two with the State of Illinois and the City of Chicago for the following locations:

- Sheridan Liquor and Lounge (3944-3946 N. Sheridan Rd., Chicago, IL 60613)
- Lakeside Market (801 W. Irving Park Rd., Chicago, IL 60613)

Mehulbhai disclosed to me that both above locations are licensed to sell tobacco as well. I did not discover any issues concerning Mehulbhai's liquor or tobacco licenses.

A check of TLOxp and I-Clear (law enforcement databases) showed the information concerning the identity of Mehulbhai and Ashik to be accurate and no areas of concern were noted.

A check of the Illinois Secretary of State Corporate and LLC database showed Krishudha OHM LLC to be an active LLC in good standing with Mehulbhai listed as the owner and Ashik as a manager.

Interview with Applicant

On 01/09/2023 I met with Mehulbhai at the BP gas station. Mehulbhai informed that he does not own the BP yet and that the sale is pending the approval of a liquor license. Mehulbhai stated he friends with the current owner of BP which is how this contract was able to be arranged. There is currently alcohol and tobacco on-site and being sold by the current owner of BP, under his valid liquor and tobacco license. Once the business is sold to Mehulbhai, he intends on selling liquor and tobacco immediately.

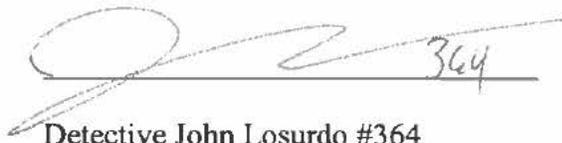
It should be noted that on #7 of the Mehulbhai's application, he stated that he is not applying for any other license on the premises. This is incorrect, seeing as he is also applying for a tobacco license. Mehulbhai was transparent with me regarding his application and this appears to be an honest mistake by him.

Site Visit

On 01/09/2023 I visited the site for the BP gas station. The floorplan is consistent with that provided in the application. Liquor and tobacco was on-site due to the current owner having a license to do so.

This concludes my background investigation of Krishudha OHM LLC (BP Gas Station) / Mehulbhai Patel.

Respectfully,



364

Detective John Losurdo #364

City of St. Charles, Illinois Liquor Control Commission
CITY RETAIL LIQUOR DEALER LICENSE APPLICATION



Incomplete applications will not be accepted.
Applications may be submitted to: 2 E. Main Street, St. Charles, IL 60174-1984

Business Name:

APPLICATION CHECKLIST

Check items to confirm all are attached to this application	Applicant	Office Use
Application Fee of \$200 (5.08.070C) non-refundable <i>Non-refundable</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Completed Application for all questions applicable to your business.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Copy of Lease/Proof of Ownership	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Copy of Dram Shop Insurance or a letter from insurance agent with a proposed quote. <i>2 proposals</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Copy of Articles of Corporation, if applicable.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Completed B.A.S.S.E.T. (Beverage Alcohol Sellers & Servers Training) form – filled out for all employees. A copy of the B.A.S.S.E.T. certificate is only needed for each manager. It is the business establishment's responsibility to keep copies of all B.A.S.S.E.T. certificates on file for all of their employees.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Copy of Site Plan for Establishment (Drawn to scale including the parking lot, patio and/or deck, outdoor seating).	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Copy of Floor Plan for Establishment (Drawn to scale and must include the layout of the establishment with tables, chairs, aisles, displays, cash register, bar, and lounge area with dimensions, percentage, and square footage noted for each space). Be sure to also include all fixed objects, such as pool tables, bar stools, vending/amusement machines; as well as all exits.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Copy of Business Plan, to include: Hours of Operation - Copy of Menu <i>NA</i> - Whether or not live music will be played at this establishment <i>NA</i> - Will there be outdoor seating and/or outdoor designated smoking area <i>NA</i> - Do not include a marketing or financial plan with this business plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any building alterations planned for this site? If not sure, please contact Building & Code Enforcement at 630.377.4406 and/or Fire Prevention Bureau at 630.377.4458 to discuss whether or not a walk-thru and/or permit are necessary.	<input type="checkbox"/>	<input checked="" type="checkbox"/> <i>No</i>
All managers have been fingerprinted who are employed by your establishment. When new management is hired, it is imperative you contact the Mayor's office to be fingerprinted so the City's business files are appropriately updated.	<input type="checkbox"/>	<input type="checkbox"/> <i>pending</i>
Alcohol Tax Acknowledgement and Business Information Sheet	<input type="checkbox"/>	<input checked="" type="checkbox"/>

OFFICIAL USE ONLY

[Signature] 364
Signature of Investigating Officer

Badge Number & Rank *Detective / 364*

Approval Recommended* Approval NOT Recommended

[Signature]
Signature of Chief of Police

1-9-23
Date

*ISSUANCE OF THIS LICENSE IS CONTINGENT ON MEETING ALL REQUIRED BUILDING AND FIRE DEPARTMENT REQUIREMENTS

Date Application Received: 1-3-2023

LICENSE INFORMATION:

A Package \$3200-3600 A1 A2 A4 A5 A6
 B Restaurant \$2400-3600 B1 B2 B3
 C Tavern \$2400-3600 C1 C2 C1
 D Hotel/Banquet/Arcada/Q-Center/Entertainment/Club - \$varies **D-Type** _____
 G Brewery/Restaurant or Site License - \$varies G1 G2
 H Catering License - \$varies H1 H2

Late Night Permit 1:00am \$800 (B/C only)
 Late Night Permit 2:00am \$2300 (B/C only)

*Initial Liquor License fees for A, B, C, D, G are reduced by 50% for annual renewals and licenses issued after Nov 1.
 *Licenses are valid until April 30 following issuance and a renewal application is required for the next year (May 1-April 30) (5.08.040)

APPLICANT INFORMATION

1. Type of Business: Individual Partnership Corporation Other (explain): LLC

2. Business Name: KRISHUD NAOHM LLC

3. Business Address: 1660 W. MAIN ST, ST CHARLES, IL 60174

4. Type of Business (5.08.070-3): Gas station	5. Length of Time in this Business (5.08.070-4): 8 years	6. Value of merchandise that normally will be in inventory when in operation (5.08.070-5): \$200,000.00	
7. Business Phone: 630-443-4462	8. Business E mail: N-A	9. Business Website: N-A	10. Illinois Tax ID Number: 16964-49600
11. Applicant/Contact Person Name: [REDACTED]		12. Title: MEMBER / Officer	13. Email: [REDACTED]
14. Applicant Home Address, and all addresses for the last 10 years: [REDACTED] TINLEY PARK, IL 60477			
15. Ph #: [REDACTED]	DL #: [REDACTED]	16. Date of Birth: [REDACTED]	17. Birthplace: [REDACTED]
18. If Corporation, Corporation Name:			
19. Corporation Address (city, state, zip code):			

ADDITIONAL OWNERS, INVESTORS (greater than 5% interest), and MANAGER INFORMATION

Full Name, include middle initial: ASHIK R Patel Title: Member

Birthdate: [REDACTED] Birthplace: [REDACTED] Driver's License#: [REDACTED] Home Phone: [REDACTED]

Home Address, and all addresses for the last 10 years: [REDACTED] Email Address: [REDACTED]

TINLEY PARK, IL 60487, OAK FOREST, IL 60452

Full Name, include middle initial: _____ Title: _____
 Birthdate: _____ Birthplace: _____ Driver's License#: _____ Home Phone: _____
 Home Address, and all addresses for the last 10 years: _____ Email Address: _____

Full Name, include middle initial: _____ Title: _____
 Birthdate: _____ Birthplace: _____ Driver's License#: _____ Home Phone: _____
 Home Address, and all addresses for the last 10 years: _____ Email Address: _____

BUSINESS ESTABLISHMENT LOCATION INFORMATION

1. Exact Street Address for liquor license: 1660 W. MAIN ST. ST CHARLES, IL 60174	2. # Parking Spaces: 5	3. Outside Dining s.f. [17.20.020-R]: NA	4. Total Building s.f.: 2800 S.F.
5. Total # Seats: NA	6. Live Entertainment Area s.f. [5.08.010-H]: NA		

7. Brief Business Plan description based on type of establishment listed above (5.08.070-6):
 GAS Station with CONVENIENCE MART

PROPOSED FLOOR PLAN/LAYOUT OF PROPERTY

Attach to this application a floorplan or layout of the proposed facility to include the following:

1.	Every application for Liquor license shall have attached thereto a site drawing of the proposed licensed premises, drawn to scale showing the following: a. The location of all rooms, segregated areas, including outdoor seating areas and the square footage thereof; b. The designated use of each room or segregated area (i.e. dining room, holding bar, service bar, kitchen, restrooms, outdoor seating areas, all rooms and segregated areas, including outdoor areas where alcoholic liquor may be served or consumed and all locations where live entertainment may be provided); c. The proposed seating capacity of rooms or segregated areas where the public is permitted to consume food and/or alcoholic beverages and/or live entertainment may be provided.
2.	The site drawing is subject to the approval of the Local Liquor Control Commissioner. The Local Liquor Commissioner may impose such restrictions as he deems appropriate on any license by noting the same on the approved site drawing or as provided on the face of the license.
3.	A copy of the approved site drawing shall be attached to the approved license and is made a part of said license.
4.	It shall be unlawful for any licensee to operate and/or maintain the licensed premises in any manner inconsistent with the approved site drawing.

THE FIRE PREVENTION BUREAU WILL FURNISH ALL FINAL, PERMITTED OCCUPANCY NUMBERS FOR THIS LICENSE.

CORPORATION / PREMISES QUESTIONS

1.	<p>If applicant is an individual or partnership, is each and every person a United States citizen (5.08.070-2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Is any individual a naturalized citizen? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, print name(s), date(s), and place(s) of naturalization:</p>
2.	<p>Is the premises owned or leased (5.08.070-6A)? <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased</p>
3.	<p>If the premises are leased, list the names and addresses of all direct owners or owners of beneficial interests in any trusts, if premises are held in trust (5.08.070-6B):</p> <p>Name of Building Owner: KRISHN OHM LLC Phone Number: [REDACTED]</p> <p>Address of Building Owner: [REDACTED] E-mail Address: [REDACTED]</p> <p>11111 Park IL 60471</p> <p>Mailing Address of Building Owner (if different):</p> <p>Name of Building Owner: Phone Number:</p> <p>Address of Building Owner: E-mail Address:</p> <p>Mailing Address of Building Owner (if different):</p> <p>Name of Building Owner: Phone Number:</p> <p>Address of Building Owner: E-mail Address:</p> <p>Mailing Address of Building Owner (if different):</p>
4.	<p>Does the applicant currently operate, or operated in the past, any other establishment within the City of St. Charles that requires a liquor license? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please list the business name(s) and address(es):</p>
5.	<p>Does applicant have any outstanding debt with the City of St. Charles, including, but not limited to, utility bills, alcohol tax, and permit fees, for any current or previous establishment owned, operated or managed by the applicant?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><i>If yes, please note the City of St. Charles requires all debt to be paid in full before consideration of a new or renewed liquor license is issued. (5.08.050)</i></p>
6.	<p>Are any improvements planned for the building and/or site that will require a building permit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, has a building permit been applied for? <input type="checkbox"/> Yes <input type="checkbox"/> No Date of permit application _____</p>
7.	<p>Has applicant applied for a similar or other license on the premises other than the one for which this license is sought (5.08.070-7)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, what was the disposition of the application? Explain as necessary:</p>

8. Has applicant (and all persons listed on page 2 of this application) ever been convicted of a felony under any Federal or State law, or convicted of a misdemeanor opposed to decency or morality (5.08.070-8)? Yes No

Is applicant (and all persons listed on page 2 of this application) disqualified from receiving a liquor license by reason of any matter contained in Illinois State law and/or City of St. Charles Municipal Ordinances? Yes No

9. List previous liquor licenses issued by any State Government or any subdivision thereof (5.08.070-9). Use additional paper if necessary.

Government Unit: _____ Location, City/State: _____

Date: _____ Special Explanations: _____

Government Unit: _____ Location, City/State: _____

Date: _____ Special Explanations: _____

10. Have any liquor licenses possessed ever been revoked (5.08.070-9)? Yes No

If yes, list all reasons on a separate, signed letter accompanying this application.

Has any director, officer, shareholder, or any of your managers, ever been denied liquor license from any jurisdiction? Yes No

If yes, proceed to Question 15. If more space is needed, please attach a separate sheet of paper with the information.

11. Complete ONLY if yes was answered to the question above (10):

Name: _____ Name of Business: _____

Position with the Business: _____ Date(s) of Denial: _____

Reason(s) for Denial of License: _____

12. Date of Incorporation (Illinois Corporations) (5.08.070-10): Dec 16, 2022

Date qualified under Illinois Business Corporation Act to transact business in Illinois (Foreign Corporation): _____

13. Has the applicant and all designated managers read and do they all understand and agree not to violate any laws of the United States, the State of Illinois, and any of the ordinances of the City of St. Charles in conducting business (5.08.070-11)? Yes No

Have you, or in the case of a corporation, the local manager, or in the case of a partnership any of the partners, ever been convicted of any violation of any law pertaining to alcoholic liquor? Yes No

Have you, or in the case of a corporation the local manager, or in the case of a partnership any of the partners, ever been convicted of a felony? Yes No

Have you ever been convicted of a gambling offense? Yes No (If a partnership or corporation, include all partners and the local manager(s).)

Will you and all your employees refuse to serve or sell alcoholic liquor to an intoxicated person or to a minor? Yes No

14. All individual owners, partners, officers, directors, and/or persons holding directly or beneficially more than five (5) percent in interest of the stock of owners by interest listed on page 2 of this application must be fingerprinted by the City of St. Charles Police Department (5.08.070-A12).
 Has this been done? Yes No
 If yes, date(s):

15. Has the applicant attached proof of Dram Shop Insurance to this application or already furnished it to the City of St. Charles (5.08.060)? Yes No
 If already furnished, date of delivery:

16. Is the premises within 100 feet of any real property of any church; school; hospital; home for the aged or indigent persons; home for veterans, their wives/husbands, or children; and/or any military or naval station (5.08.230)?
 Yes No

B.A.S.S.E.T. TRAINING

Please list employees required to have B.A.S.S.E.T training on this page – include all managers, assistant managers, bartenders, and clerks who are permitted to make alcoholic liquor sales. Include copies of certificates for managers only and mark Manager if applicable. Add another page, if needed:

Name (First, Middle, Last): Mehulbhai Patel Birthdate: [REDACTED]
 Home Street Address, Incl City, State, Zip: [REDACTED] Tinley Park, IL 60477
 Date of Course: 01-01-2023 Place Course was Taken: ONLINE Certificate Granted? Y/N YES Expiration: 01-01-2026

Name (First, Middle, Last): Ashik Patel Birthdate: [REDACTED]
 Home Street Address, Incl City, State, Zip: [REDACTED] Tinley Park, IL 60487
 Date of Course: 12-31-22 Place Course was Taken: ONLINE Certificate Granted? Y/N YES Expiration: 12-31-25

Name (First, Middle, Last): Birthdate:
 Home Street Address, Incl City, State, Zip:
 Date of Course: Place Course was Taken: Certificate Granted? Y/N Expiration:

Name (First, Middle, Last): Birthdate:
 Home Street Address, Incl City, State, Zip:
 Date of Course: Place Course was Taken: Certificate Granted? Y/N Expiration:

NEW MANAGEMENT REQUIREMENTS

Whenever a new manager comes on board, the City must be notified and that person must be fingerprinted.
 It is the business establishment's responsibility to keep copies of all B.A.S.S.E.T. certificates on file for their employees.

COMMENTS/ADDITIONAL INFORMATION

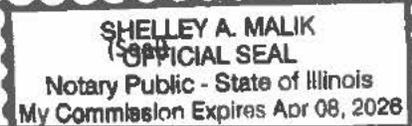
Business Name: Krishudha Ohm LLC

SIGNATURES

Mehulbhai Patel

Applicant's Signature

Subscribed and sworn before me this 29th day of December, 2022



Shelley Malik
Notary Public

ADDENDUM TO RETAIL LIQUOR LICENSE APPLICATION

Date: 1-9-23

Name of Applicant: Mehulbhai Patel / Ashish Patel

Name of Business: Krishudha Ohm LLC / BP Gas Station

Address of Business: 1600 W. Main St.

Ward Number: 3

Pursuant to the provision of the City of St. Charles Municipal Code, Chapter 5.08, Alcoholic Beverages, the following guide shall be in effect for the investigation of an applicant for a Retail Dealer's Liquor License:

1. Date on which applicant will begin selling retail alcoholic liquors at this location:
upon sale of business. Sale is pending the approval of license.
2. Is the location within 100 feet of any church; school; hospital; home for the aged or indigent persons; home for veterans, their wives/husbands or children; or any military or naval station? Yes No
3. If the answer to question 2 is yes, answer the following: Is applicant's place of business a hotel offering restaurant service, a regularly organized club, a restaurant, a food shop, or other place where the sale of alcoholic liquors is not the principal business? Yes No

If yes, answer a, b and c:

 - a. State the kind of such business:
 - b. Give date on which applicant began the kind of business named at this location:
 - c. Has the kind of business designated been established at this location for such purpose prior to February 1, 1934, and carried on continuously since such time by either the applicant or any other person?

Yes No
4. If premises for which an alcoholic liquor license is herein applied for are within 100 feet of a church, have such premises been licensed for the sale of alcoholic liquor at retail prior to the establishment of such church? Yes No

If yes, have the premises been continuously operated and licensed for the sale of alcoholic liquor at retail since the original alcoholic liquor license was issued therefore? Yes No

5.	Is the place for which the alcoholic liquor license is sought a dwelling house, flat, or apartment used for residential purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6.	Is there any access leading from premises to any other portion of the same building or structure used for dwelling or lodging purposes and which is permitted to be used or kept accessible for use by the public? (Connection between premises and such other portion of building or structure as is used only by the applicant, his/her family and personal guests not prohibited.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7.	If applicant conducts or will conduct in the same place any other class of business in addition to that of City Retailer of Alcoholic Liquor, state the kind and nature of such business: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Tobacco
8.	Are all rooms where liquor will be sold for consumption on the premises continuously lighted during business hours by natural light or artificial white light so that all parts of the interior shall be clearly visible? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9.	Are premises located in any building belonging to or under the control of the State of Illinois or any other political subdivision thereof, such as county, city, etc.? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
10.	Are the premises for which license is herein applied for a store or place of business where the majority of customers are minors of school age or where the principal business transacted consists of school books, school supplies, food or drinks for such minors? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
11.	It is required by the City of St. Charles that all employees undergo BASSET training. Provide a copy of the certificate of training completion for each manager. All certificates for managers have been submitted: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12.	From your observation and investigation, has applicant—to the best of your knowledge—truthfully answered all questions? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, state exceptions:
13.	Have all persons named in this application been fingerprinted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Fingerprinted by: Adam Cat Date: 1-3-23
14.	Other necessary data:

**City of St. Charles
ALCOHOL TAX
BUSINESS INFORMATION SHEET**

As a new business serving or selling alcohol in the City of St. Charles, the following information must be provided to assist with the processing of your monthly Alcohol Tax returns.

BUSINESS CONTACT INFORMATION

Corporate name: *Krishudha Ohm LLC*

DBA:

Phone: [REDACTED] x:

E-mail: [REDACTED]

Address: *1660 W. Main St.*

City: *ST. Charles*

State: *IL*

ZIP Code: *60174*

Expected date of business opening (Required): *Feb 1, 2023*

TAX PREPARER INFORMATION

Name of Tax Preparer: *Dhaval Patel, CPA*

Phone: *847-558-8100* Fax:

E-mail: *dpatel@pinnacle.Tax*

This completed form must be submitted with your liquor license application and "Acknowledgement of City Alcohol Tax" to the City of St. Charles Administration Office.

ACKNOWLEDGEMENT OF ALCOHOL TAX

By signing below, I acknowledge that I have received the updated information on the City's alcohol tax. I understand that it is my responsibility to collect said tax on any alcohol sales effective immediately. It is also my responsibility to remit said taxes to the City by the due dates specified in the alcohol tax ordinance. I understand that any violation of the alcohol tax ordinance can result in the imposition of fines, penalties, or sanctions including suspension or revocation of the liquor license granted by the City of St. Charles. **The tax rate on alcohol sales will be changed to 3% of the purchase price effective September 1, 2018. Please apply the tax at a rate of 3% on all alcohol sales at your establishment beginning on September 1, 2018.**

Name MEHULBHAI. M. PATEL

Title MEMBER

Business Name KRISHUDHA OHM LLC

Address 1660 W. Main ST, ST Charles, IL 60174

Mehulbhai Patel
Signature

1-3-2023
Date

Please return the signed acknowledgement form to the City of St. Charles Administration Office .

COMMERCIAL LEASE AGREEMENT

THIS LEASE (this "Lease") dated this 1st day of January, 2023

BETWEEN:

GRISHU OHM LLC of 1660 W Main St, St. Charles, IL 60174, USA

Telephone: (708) 296-3191

(the "Landlord")

OF THE FIRST PART

- AND -

m.g. **KRISHUDA OHM LLC of 1660 W Main St, St. Charles, IL 60174, USA**
HN

Telephone: (708) 704-7752

(the "Tenant")

OF THE SECOND PART

IN CONSIDERATION OF the Landlord leasing certain premises to the Tenant, the Tenant leasing those premises from the Landlord and the mutual benefits and obligations set forth in this Lease, the receipt and sufficiency of which consideration is hereby acknowledged, the Parties to this Lease (the "Parties") agree as follows:

Definitions

1. When used in this Lease, the following expressions will have the meanings indicated:
 - a. "Additional Rent" means all amounts payable by the Tenant under this Lease except Base Rent, whether or not specifically designated as Additional Rent elsewhere in this Lease;
 - b. "Building" means all buildings, improvements, equipment, fixtures, property and facilities from time to time located at 1660 W Main St, St. Charles, IL 60174, USA, as from time to time altered, expanded or reduced by the Landlord in its sole discretion;
 - c. "Common Areas and Facilities" mean:
 - i. those portions of the Building areas, buildings, improvements, facilities, utilities, equipment and installations in or forming part of the Building which from time to time are

not designated or intended by the Landlord to be leased to tenants of the Building including, without limitation, exterior weather walls, roofs, entrances and exits, parking areas, driveways, loading docks and area, storage, mechanical and electrical rooms, areas above and below leasable premises and not included within leasable premises, security and alarm equipment, grassed and landscaped areas, retaining walls and maintenance, cleaning and operating equipment serving the Building; and

- ii. those lands, areas, buildings, improvements, facilities, utilities, equipment and installations which serve or are for the useful benefit of the Building, the tenants of the Building or the Landlord and those having business with them, whether or not located within, adjacent to or near the Building and which are designated from time to time by the Landlord as part of the Common Areas and Facilities;
- d. "Leasable Area" means with respect to any rentable premises, the area expressed in square feet of all floor space including floor space of mezzanines, if any, determined, calculated and certified by the Landlord and measured from the exterior face of all exterior walls, doors and windows, including walls, doors and windows separating the rentable premises from enclosed Common Areas and Facilities, if any, and from the center line of all interior walls separating the rentable premises from adjoining rentable premises. There will be no deduction or exclusion for any space occupied by or used for columns, ducts or other structural elements;
- e. "Premises" means the retail store at 1660 W Main St, St. Charles, IL 60174, USA.
- f. "Rent" means the total of Base Rent and Additional Rent.

Intent of Lease

- 2. It is the intent of this Lease and agreed to by the Parties to this Lease that rent for this Lease will be on a gross rent basis meaning the Tenant will pay the Base Rent and any Additional Rent and the Landlord will be responsible for all other service charges related to the Premises and the operation of the Building save as specifically provided in this Lease to the contrary.

Leased Premises

- 3. The Landlord agrees to rent to the Tenant the retail store municipally described as 1660 W Main St, St. Charles, IL 60174, USA (the "Premises").
- 4.

The Premises will be used for only the following permitted use: **GAS STATION WITH RETAIL**

STORE (the "Permitted Use").

5. No pets or animals are allowed to be kept in or about the Premises or in any common areas in the Building containing the Premises.
6. The tenant is not entitled to any exclusive parking on or about the Premises.
7. The Premises are provided to the Tenant without any fixtures, chattels or leasehold improvements.

Term

8. The term of the Lease commences at 12:00 noon on January 1, 2023 and ends at 12:00 noon on December 31, 2043 (the "Term").
9. Should the Tenant remain in possession of the Premises with the consent of the Landlord after the natural expiration of this Lease, a new tenancy from month to month will be created between the Landlord and the Tenant which will be subject to all the terms and conditions of this Lease but will be terminable upon either party giving one month's notice to the other party.

Rent

10. Subject to the provisions of this Lease, the Tenant will pay a base rent of \$20,000.00, payable per month, for the Premises (the "Base Rent"), without setoff, abatement or deduction. In addition to the Base Rent, the Tenant will pay for any fees or taxes arising from the Tenant's business.
11. The Tenant will pay the Base Rent on or before the first of each and every month of the Term to the Landlord.
12. The Base Rent for the Premises will increase over the Term of the Lease as follows: 2 % INCREASED ON BASE RENT ON EVERY YEAR.
13. No acceptance by the Landlord of any amount less than the full amount owed will be taken to operate as a waiver by the Landlord for the full amount or in any way to defeat or affect the rights and remedies of the Landlord to pursue the full amount.

Use and Occupation

14. The Tenant will open the whole of the Premises for business to the public fully fixtured, stocked and staffed on the date of commencement of the Term and throughout the Term, and will continuously occupy and utilize the entire Premises in the active conduct of its business in a reputable manner on such days and during such hours of business as may be determined from time to time by the Landlord.

15. The Tenant covenants that the Tenant will carry on and conduct its business from time to time carried on upon the Premises in such manner as to comply with all statutes, bylaws, rules and regulations of any federal, state, municipal or other competent authority and will not do anything on or in the Premises in contravention of any of them.
16. The Tenant covenants that the Tenant will carry on and conduct its business from time to time carried on upon the Premises in such manner as to comply with any statute, including any subordinate legislation, which is in force now or in the future and taking into account any amendment or re-enactment, or any government department, local authority, other public or competent authority or court of competent jurisdiction and of the insurers in relation to the use, occupation and enjoyment of the Building (including in relation to health and safety compliance with the proper practice recommended by all appropriate authorities).

Quiet Enjoyment

17. The Landlord covenants that on paying the Rent and performing the covenants contained in this Lease, the Tenant will peacefully and quietly have, hold, and enjoy the Premises for the agreed term.

Distress

18. If and whenever the Tenant is in default in payment of any money, whether hereby expressly reserved or deemed as Rent, or any part of the Rent, the Landlord may, without notice or any form of legal process, enter upon the Premises and seize, remove and sell the Tenant's goods, chattels and equipment from the Premises or seize, remove and sell any goods, chattels and equipment at any place to which the Tenant or any other person may have removed them, in the same manner as if they had remained and been distrained upon the Premises, all notwithstanding any rule of law or equity to the contrary, and the Tenant hereby waives and renounces the benefit of any present or future statute or law limiting or eliminating the Landlord's right of distress.

Overholding

19. If the Tenant continues to occupy the Premises without the written consent of the Landlord after the expiration or other termination of the Term, then, without any further written agreement, the Tenant will be a month-to-month tenant at a minimum monthly rental equal to twice the Base Rent and subject always to all of the other provisions of this Lease insofar as the same are applicable to a month-to-month tenancy and a tenancy from year to year will not be created by implication of law.

Additional Rights on Reentry

20. If the Landlord reenters the Premises or terminates this Lease, then:

- a. notwithstanding any such termination or the Term thereby becoming forfeited and void, the provisions of this Lease relating to the consequences of termination will survive;**
- b. the Landlord may use such reasonable force as it may deem necessary for the purpose of gaining admittance to and retaking possession of the Premises and the Tenant hereby releases the Landlord from all actions, proceedings, claims and demands whatsoever for and in respect of any such forcible entry or any loss or damage in connection therewith or consequential thereupon;**
- c. the Landlord may expel and remove, forcibly, if necessary, the Tenant, those claiming under the Tenant, and their effects, as allowed by law, without being taken or deemed to be guilty of any manner of trespass;**
- d. in the event that the Landlord has removed the property of the Tenant, the Landlord may store such property in a public warehouse or at a place selected by the Landlord, at the expense of the Tenant. If the Landlord feels that it is not worth storing such property given its value and the cost to store it, then the Landlord may dispose of such property in its sole discretion and use such funds, if any, towards any indebtedness of the Tenant to the Landlord. The Landlord will not be responsible to the Tenant for the disposal of such property other than to provide any balance of the proceeds to the Tenant after paying any storage costs and any amounts owed by the Tenant to the Landlord;**
- e. the Landlord may relet the Premises or any part of the Premises for a term or terms which may be less or greater than the balance of the Term remaining and may grant reasonable concessions in connection with such reletting including any alterations and improvements to the Premises;**
- f. after reentry, the Landlord may procure the appointment of a receiver to take possession and collect rents and profits of the business of the Tenant, and, if necessary to collect the rents and profits the receiver may carry on the business of the Tenant and take possession of the personal property used in the business of the Tenant, including inventory, trade fixtures, and furnishings, and use them in the business without compensating the Tenant;**
- g. after reentry, the Landlord may terminate the Lease on giving 5 days' written notice of termination to the Tenant. Without this notice, reentry of the Premises by the Landlord or its agents will not terminate this Lease;**
- h. the Tenant will pay to the Landlord on demand:
 - i. all rent, Additional Rent and other amounts payable under this Lease up to the time of****

reentry or termination, whichever is later;

- ii. reasonable expenses as the Landlord incurs or has incurred in connection with the reentering, terminating, reletting, collecting sums due or payable by the Tenant, realizing upon assets seized; including without limitation, brokerage, fees and expenses and legal fees and disbursements and the expenses of keeping the Premises in good order, repairing the same and preparing them for reletting; and
- iii. as liquidated damages for the loss of rent and other income of the Landlord expected to be derived from this Lease during the period which would have constituted the unexpired portion of the Term had it not been terminated, at the option of the Landlord, either:
 - i. an amount determined by reducing to present worth at an assumed interest rate of twelve percent (12%) per annum all Base Rent and estimated Additional Rent to become payable during the period which would have constituted the unexpired portion of the Term, such determination to be made by the Landlord, who may make reasonable estimates of when any such other amounts would have become payable and may make such other assumptions of the facts as may be reasonable in the circumstances; or
 - ii. an amount equal to the Base Rent and estimated Additional Rent for a period of six (6) months.

21. Upon giving written notice no later than 60 days before the expiration of the Term, the Tenant may renew this Lease for an additional term. All terms of the renewed lease will be the same except for any signing incentives/inducements and this renewal clause.

Landlord Chattels

22. The Landlord will not supply any chattels.

Tenant Improvements

23. The Tenant will obtain written permission from the Landlord before doing any of the following:
 - a. painting, wallpapering, redecorating or in any way significantly altering the appearance of the Premises;
 - b. removing or adding walls, or performing any structural alterations;
 - c. changing the amount of heat or power normally used on the Premises as well as installing additional electrical wiring or heating units;

- d. subject to this Lease, placing or exposing or allowing to be placed or exposed anywhere inside or outside the Premises any placard, notice or sign for advertising or any other purpose;
- e. affixing to or erecting upon or near the Premises any radio or TV antenna or tower, or satellite dish; or
- f. installing or affixing upon or near the Premises any plant, equipment, machinery or apparatus without the Landlord's prior consent.

Utilities and Other Costs

24. The Landlord is responsible for the payment of the following utilities and other charges in relation to the Premises: electricity, natural gas, water, sewer, telephone, internet and cable.

Insurance

25. The Tenant is hereby advised and understands that the personal property of the Tenant is not insured by the Landlord for either damage or loss, and the Landlord assumes no liability for any such loss. The Tenant is advised that, if insurance coverage is desired by the Tenant, the Tenant should inquire of Tenant's insurance agent regarding a Tenant's policy of insurance.

Abandonment

26. If at any time during the Term, the Tenant abandons the Premises or any part of the Premises, the Landlord may, at its option, enter the Premises by any means without being liable for any prosecution for such entering, and without becoming liable to the Tenant for damages or for any payment of any kind whatever, and may, at the Landlord's discretion, as agent for the Tenant, relet the Premises, or any part of the Premises, for the whole or any part of the then unexpired Term, and may receive and collect all rent payable by virtue of such reletting, and, at the Landlord's option, hold the Tenant liable for any difference between the Rent that would have been payable under this Lease during the balance of the unexpired Term, if this Lease had continued in force, and the net rent for such period realized by the Landlord by means of the reletting. If the Landlord's right of reentry is exercised following abandonment of the premises by the Tenant, then the Landlord may consider any personal property belonging to the Tenant and left on the Premises to also have been abandoned, in which case the Landlord may dispose of all such personal property in any manner the Landlord will deem proper and is relieved of all liability for doing so.

Governing Law

27. It is the intention of the Parties to this Lease that the tenancy created by this Lease and the performance under this Lease, and all suits and special proceedings under this Lease, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the State of Illinois, without regard to the jurisdiction in which any action or special proceeding may be instituted.

Severability

28. If there is a conflict between any provision of this Lease and the applicable legislation of the State of Illinois (the 'Act'), the Act will prevail and such provisions of the Lease will be amended or deleted as necessary in order to comply with the Act. Further, any provisions that are required by the Act are incorporated into this Lease.

Assignment and Subletting

29. The Tenant will not assign this Lease, or sublet or grant any concession or license to use the Premises or any part of the Premises. An assignment, subletting, concession, or license, whether by operation of law or otherwise, will be void and will, at Landlord's option, terminate this Lease.

Bulk Sale

30. No bulk sale of goods and assets of the Tenant may take place without first obtaining the written consent of the Landlord, which consent will not be unreasonably withheld so long as the Tenant and the Purchaser are able to provide the Landlord with assurances, in a form satisfactory to the Landlord, that the Tenant's obligations in this Lease will continue to be performed and respected, in the manner satisfactory to the Landlord, after completion of the said bulk sale.

Maintenance

31. The Tenant will, at its sole expense, keep and maintain the Premises and appurtenances in good and sanitary condition and repair during the Term and any renewal of this Lease.
32. In particular, the Tenant will keep the fixtures in the Premises in good order and repair. The Tenant will, at Tenant's sole expense, make all required repairs to the plumbing, range, heating apparatus, and electric and gas fixtures whenever damage to such items will have resulted from the Tenant's misuse, waste, or neglect or that of the Tenant's employee, family, agent, or visitor.

33. The Tenant will be responsible at its own expense to replace all electric light bulbs, tubes, ballasts or fixtures serving the Premises.
34. Where the Premises has its own sidewalk, footpath, entrance, driveway or carpark which is for the exclusive use of the Tenant and its guests, the Tenant will keep the footpath, entrance, driveway or parking space clean, tidy and free of objectionable material including dirt, debris, snow and ice.
35. Where the Premises has its own garden or grass area which is for the exclusive use of the Tenant and its guests, the Tenant will water, fertilize, weed, cut and otherwise maintain the garden or grass area in a reasonable condition including any trees or shrubs in or about the Premises.

Care and Use of Premises

36. The Tenant will promptly notify the Landlord of any damage, or of any situation that may significantly interfere with the normal use of the Premises.
37. The Tenant will not make (or allow to be made) any noise or nuisance which, in the reasonable opinion of the Landlord, disturbs the comfort or convenience of other tenants.
38. The Tenant will not engage in any illegal trade or activity on or about the Premises.
39. The Landlord and Tenant will comply with standards of health, sanitation, fire, housing and safety as required by law.

Surrender of Premises

40. At the expiration of the lease term, the Tenant will quit and surrender the Premises in as good a state and condition as they were at the commencement of this Lease, reasonable use and wear and damages by the elements excepted.

Hazardous Materials

41. The Tenant will not keep or have on the Premises any article or thing of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire on the Premises or that might be considered hazardous by any responsible insurance company.

Rules and Regulations

42. The Tenant will obey all rules and regulations posted by the Landlord regarding the use and care of the Building, parking lot and other common facilities that are provided for the use of the Tenant in and around the Building on the Premises.

General Provisions

- 43. Any waiver by the Landlord of any failure by the Tenant to perform or observe the provisions of this Lease will not operate as a waiver of the Landlord's rights under this Lease in respect of any subsequent defaults, breaches or nonperformance and will not defeat or affect in any way the Landlord's rights in respect of any subsequent default or breach.
- 44. This Lease will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns, as the case may be, of each party to this Lease. All covenants are to be construed as conditions of this Lease.
- 45. All sums payable by the Tenant to the Landlord pursuant to any provision of this Lease will be deemed to be Additional Rent and will be recoverable by the Landlord as rental arrears.
- 46. Where there is more than one Tenant executing this Lease, all Tenants are jointly and severally liable for each other's acts, omissions and liabilities pursuant to this Lease.
- 47. Time is of the essence in this Lease.
- 48. This Lease will constitute the entire agreement between the Landlord and the Tenant. Any prior understanding or representation of any kind preceding the date of this Lease will not be binding on either party to this Lease except to the extent incorporated in this Lease. In particular, no warranties of the Landlord not expressed in this Lease are to be implied.

IN WITNESS WHEREOF the Parties to this Lease have duly affixed their signatures under hand and seal, or by a duly authorized officer under seal, on this 1st day of January, 2023.

Mamika Patel
(Witness) 01-01-23

GRISHU OHM LLC (Landlord)
Per: [Signature] (SEAL)
01-01-23

Mamika Patel
(Witness) 01-01-23

^{MS} KRISHUD ^{HA} OHM LLC (Tenant)
Per: Mamika Patel (SEAL)
01-01-23

Insurance Proposal



QUOTE FOR Businessowner's Policy

DATE PREPARED

12/29/2022

PREPARED FOR

KRISHUD ^{HA}OHM LLC
1660 W Main St
St Charles, IL 60174

PROPOSAL NUMBER | CUSTOMER NUMBER

GRBP486802

12473774

EFFECTIVE DATE

01/03/2023 - 01/03/2024

TOTAL ESTIMATED COST

\$12,770.00

PAYMENT TERMS

10% down payment, 10 monthly installment(s)

Underwritten by:

AmGUARD Insurance Company

Presented by:

ALPHA INSURANCE SOLUTIONS LLC
100 E 17th St
Lombard, IL 60148

877-392-5742

Insurance may be underwritten by AmGUARD Insurance Company® or NorGUARD Insurance Company®, members of Berkshire Hathaway GUARD Insurance Companies ("BHGIC"), with principal place of business at 39 Public Square, Wilkes-Barre, PA 18701. ©BHGIC December 2021.

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PPBP122121

Why Berkshire Hathaway GUARD?

✔ STRENGTH

GUARD is ultimately owned and financially backed by Berkshire Hathaway, Inc. — one of the strongest organizations in the world.

✔ EXPERTISE

A dedicated provider to the insurance community for over three decades, we understand how to protect our clients' interests.

✔ CONVENIENCE

We offer a full range of products and services as well as flexible policy terms and convenient payment options.

✔ TRUST

Right now, hundreds of thousands of policyholders are counting on us. Judging by the high number who return each year, it's safe to say we're doing a great job!



Quick Facts

Established: 1983

A.M. Best Company Rating: A+ Superior as of 4/20/2021

Berkshire Hathaway GUARD Insurance Companies:

AmGUARD Insurance Company®, AZGUARD™ Insurance Company (Excess & Surplus Lines), EastGUARD Insurance Company™, NorGUARD Insurance Company® and WestGUARD® Insurance Company

Commercial Lines:

Businessowner's, Commercial Auto, Disability, Commercial Package, Commercial Property, Commercial Umbrella, General Liability, Professional Liability, and Workers' Compensation

Personal Lines:

Homeowners/Renters/Condominium Units/Landlords and Personal Umbrella

Services:

Expert loss control, fair and timely claims handling with 24/7 reporting platform, convenient payment options, responsive customer service, online self-service centers for agents and policyholders

Distribution Network:

6,700+ independent insurance agents and broker partners

Policyholders: 445,000+

Offices:

Headquartered in Wilkes-Barre, PA, with satellite locations countrywide

Employees: 950+

About . . . BERKSHIRE HATHAWAY, INC.

Chaired by Warren Buffett, Berkshire Hathaway is an international holding company with diverse interests including insurance and reinsurance. World-renowned for its financial strength, the group has an AA rating from Standard and Poor's and is a Fortune 500 company.

Not all Berkshire Hathaway GUARD Insurance Companies provide the products described here in nor are all products and coverages available in all states. This information is intended to present a general overview for illustrative purposes. Only the relevant insurance policy and endorsements can provide the actual terms and conditions for an insured. © Berkshire Hathaway GUARD Insurance Companies with principal place of business at 39 Public Square, Wilkes-Barre, PA 18701. March 2021.

The security you need. The name you trust.

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LCMD070621

PAYMENT OPTIONS

Making a Payment



PAYMENT TERMS:

Payment or draft information must be received by GUARD no later than 5 business days after inception. **Always include your Proposal Number on all correspondence and checks.** Please be advised certain fees may apply for credit card payments, installment plans, late payments, and insufficient funds/closed bank account. Fees may vary by state and line of coverage. Please review the fee disclosures on the enclosed Proposal of Insurance.

WAYS TO PAY:

- **ONLINE** – Login to the Policyholder Service Center (PSC) at guard.com/policyholders/ to make a credit card payment, transfer funds from your bank, set up recurring payments, and view your billing history.
- **EXPRESS PAY** – No login required. Simply visit guard.com/expresspay/.
- **DIRECT DRAFT** – Set up recurring automatic payments from your bank account by completing the enclosed Direct Draft Program® Authorization Form and eliminate installment fees.
- **PHONE** – Call 1-800-673-2465 to pay with your credit card or bank account.
- **MAIL** – Make check payable to Berkshire Hathaway GUARD Insurance Companies and include the Mailing Remittance Slip (below).

We send Billing Statements to give you advance notice of each draft amount as a courtesy to you. (The procedure for calculating premium is set forth in your policy.) We cannot guarantee that you will receive this notice or that the notice will be received in advance of the Direct Draft. Regardless, payment is still due in accordance with your policy terms.

Mailing Remittance Slip

Customer Name: KRISHUDA OHM LLC

Agency Name: ALPHA INSURANCE SOLUTIONS LLC

Proposal Number: GRBP486802

Total Cost: \$12,770.00

Down Payment Amount: \$1,277.00

Mail Payment To: Berkshire Hathaway GUARD Insurance Companies
ATTN: Accounts Receivable
P.O. Box AH - 39 Public Square
Wilkes-Barre, PA 18703-0020

PAYMENT OPTIONS

Direct Draft Program®



Direct Draft Program® Authorization Form

Please select one:

Recurring Draft (no installment fees)

Preferred method of receiving direct draft billing statement:

Email to: _____

Fax to: _____

One-Time Draft

Amount: \$ _____

Not an available option for policyholders on self-reporting payment plans. One-time direct drafts will be charged an installment fee up to \$7 in select states

Policyholder Name: KRISHUDA OHM LLC Policy #: GRBP486802

Policy #: _____ Policy #: _____

Bank Name: _____

Name on Bank Account: _____

Bank Account #: _____ Bank Routing #: _____

Optional: Attach a voided check to assist us in verifying your account information.

Agreement: By signing below, you are enrolling in Berkshire Hathaway GUARD's Direct Draft Program®, authorizing WestGUARD® Insurance Company, holding company for AmGUARD Insurance Company®, NorGUARD Insurance Company®, and EastGUARD Insurance Company® members of Berkshire Hathaway GUARD Insurance Companies ("GUARD") with principal place of business at 39 Public Square, Wilkes-Barre, PA 18701 to disclose this document to the cited bank and to initiate an electronic transfer of funds from the bank account cited to pay the insurance premiums for the indicated policy(ies), and any renewals thereof, in accordance with either the one-time draft amount cited or per the payment terms of your insurance policy(ies). Any overpayment or refunds of premiums may be returned to the bank account cited. Attempted withdrawals encountering insufficient funds or a closed account may be assessed a fee up to \$20 (depending upon the state and subject to change with or without notice). Premiums may change in accordance with the terms and conditions of the policy or contract. If you are not the owner of any policy or contract identified above, you will not receive advance notice of any change in the amount of any authorized withdrawal with respect to such policy or contract. The owner of the policy or contract is responsible for ensuring that adequate premiums are paid to keep the policy/contract in force, even if the direct draft does not occur as scheduled or the amount drafted is insufficient. This authorization remains in effect until you notify GUARD otherwise in writing.

Authorized Signature: _____ Date Signed: _____

Printed Name: _____ Phone #: _____

We send Billing Statements to give you advance notice of each draft amount as a courtesy to you. (The procedure for calculating premium is set forth in your policy.) We cannot guarantee that you will receive this notice or that the notice will be received in advance of the Direct Draft. Regardless, payment is still due in accordance with your policy terms.

Please return the completed form to:

✉ BHGIC Accounting Services | P.O. Box AH | Wilkes-Barre, PA 18703-0020

📧 csr@guard.com 📞 570-820-7968



Berkshire Hathaway GUARD
P.O. Box AH • 39 Public Square
Wilkes-Barre, PA 18703-0020
570-825-9900 (Toll-Free 800-673-2465)
FAX 570-823-2059
www.guard.com

Proposal of Insurance

KRISHUDA OHM LLC
Prospect Number GRBP486802
for 01/03/2023 to 01/03/2024

ALPHA INSURANCE SOLUTIONS LLC
Syed Asma - Lombard, IL
Phone Number: 877-392-5742
Fax#: 630-884-8812

Underwriter: Jordan Levin
Extension: 1300 / e-mail: Jordan.Levin@guard.com
Phone Number: 570-825-9900
Fax Number: 570-820-7968

This quote will expire on 01/05/2023.

Carrier:	AmGUARD Insurance Company
Type of Coverage:	Businessowner's
Payment Method:	Direct Bill

Total Estimated Cost: \$12,770.00

The portion of the Total Estimated Cost attributable to terrorism premium is \$ 31.00.

(Direct billed policies will be charged a fee of \$7.00 per installment.)

Information Needed to Issue:

- * A signed 1) ACORD application or 2) copy of the proposal is required prior to policy issuance.
- * Under the Terrorism Risk Insurance Program Reauthorization Act, policyholders have the right to purchase coverage under this policy and must read, complete, and return the attached Policyholder Disclosure: Notice of Terrorism Insurance Coverage.

Payment Terms:

- * Please note that fees may apply and may vary by state. Fees are subject to change with or without notice.
- * Policies that are direct billed will be charged a fee of up to \$7.00 per installment. There is no installment fee for policies set up with Direct Draft.
- * Any checks returned or attempted bank drafts declined for insufficient funds or a closed account may be assessed a fee of up to \$20.00.
- * A late fee may be assessed of up to \$10.00 for payments received after the due date.
- * A convenience fee of up to \$7.00 will be added to credit card payments.

Proposal of Insurance for KRISHUDA OHM LLC (cont.)

Important Notes:

- * This prospect is subject to inspection.
- * If the insured cancels the policy, the final premium may be calculated on an other than pro rata basis. In that case, the amount of premium due to the insured will be 90% of the unearned premium and final premium will not be less than the full minimum premium.
- * Please note that the coverages and limits offered on this Proposal of Insurance may be different from those originally selected on the application. Please review carefully.
- * We offer a Direct Draft Program to electronically transfer funds from your bank account. Please complete the enclosed Direct Draft Program Authorization Form to enroll and avoid installment fees or lost or delayed checks and associated late charges.
- * Quote includes the Protective Safeguards Endorsement. Coverage related consequences can result if the conditions of this endorsement are not met. For more detailed information, please refer to ISO form BP 04 30.

Proposal of Insurance for KRISHUDA OHM LLC (cont.)

The next sections of this proposal list the various Property and Liability insurance coverages and limits included in this Businessowner's policy for the Total Estimated Cost shown above; some are automatically included while others reflect specific requests.

SECTION I: (Applies to All Locations)

Headquarters State

Illinois

Coverage	Limit
Policy Limits	
• Liability Limits	
• Liability & Medical Expenses - Each Occurrence	\$1,000,000
• General Aggregate	\$2,000,000
• Personal & Advertising Injury	Included
• Products & Completed Operations Aggregate	\$2,000,000
• Medical Expenses - Each Person	\$5,000
• Deductibles	
• Liability Property Damage Deductible	None
• Liability Deductible - Bodily Injury	None
Damage To Premises Rented To You	
• Limit	\$50,000
Appurtenant Structures	
• Limit	\$50,000 combined Building/BPP
Business Income & Extra Expense	
• Limit	Actual Loss Sustained up to 12 Months
Business Income Options	
• Number of Hours Deductible	72 hours
• Extended Business Income Number of Days	30
• Ordinary Payroll Expenses Number of Days	60
Electronic Data	
• Limit	\$10,000
Employee Dishonesty	
• Limit	\$25,000
Employment-related Practices Liability	
• Limit	\$25,000
• Deductible	\$1,000
• Retroactive Date	01/15/2023
• Policy Classification	Mercantile
• Number of Employees	4
• Prior or Pending Litigation Date	01/15/2023
• Malicious Prosecution	Include
Fire Department Service Charge	
• Limit	\$25,000
Fire Extinguisher Systems Recharge Expense	
• Limit	\$5,000
Forgery or Alteration	
• Limit	\$10,000

Proposal of Insurance for KRISHUDA OHM LLC (cont.)

Fungi, Wet Rot, Dry Rot & Bacteria (Mold)	
• Property Limit	\$15,000
• Business Income/EE Number of Days	30
• Liability Coverage Option	Exclude Coverage
Glass Expense	
• Limit	Actual Loss Sustained
Hired Automobile	
• Limit	Included in Liability Limit
Interruption of Computer Operations	
• Limit	\$10,000
Liquor Liability	
• Liquor Liability Option	Liquor Liability Coverage
• Each Person Bodily Injury Limit	\$77,787
• Each Person Property Damage Limit	\$77,787
• Loss of Means of Support or Loss of Society Limits	\$95,073
• Aggregate Limit	\$1,000,000
• Gross Annual Liquor Receipts	\$500,000
• IMPORTANT NOTE	THIS COVERAGE IS RATED BASED ON AN ESTIMATE AND IS SUBJECT TO AUDIT
Loss by Theft of furs, fur garments, garments trimmed with fur	
• Limit	\$2,500
Loss by Theft of jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals	
• Limit	\$5,000
Loss by Theft of patterns, dies, molds and forms	
• Limit	\$2,500
Money Orders and "Counterfeit Money"	
• Limit	\$1,000
Newly Acquired Or Constructed Property - Buildings	
• Limit	25% of Building Limit/Not more than \$500,000/Bldg
Newly Acquired Or Constructed Property - Business Personal Property	
• Limit	\$250,000
Non-owned Automobile	
• Exposure	Without Delivery Service
Personal Effects	
• Limit	\$5,000
Personal Property Off Premises	
• Limit	\$10,000
Pollutant Clean Up and Removal	
• Limit	\$10,000
Preservation of Property	
• Limit	Within 30 Days
Terrorism	
• Certified Acts	Exclude Coverage

Proposal of Insurance for KRISHUDA OHM LLC (cont.)

SECTION II: Location-Level Coverage

Location 001: 1660 W Main St, St Charles, IL 60174-1630

Building 001: Convenience Stores w/ Gasoline Sales - No Restaurant - 0932101

Property Deductible: 2,500.00
Wind/Hail Excluded: No
Wind/Hail Deductible: 1.00%
Building Group: Convenience Food/Gasoline Store/Restaurant
Occupancy: Owner Occupied Bldg - More than 10%
Construction Type: Joisted Masonry
Protection Class: 01
BCEG: Ungraded
Class Description: Convenience Stores w/ Gasoline Sales - No Restaurant (0932101)

<u>Coverage</u>	<u>Limit</u>
Accounts Receivable	
• On-Premises Limit	\$25,000
• Off-Premises Limit	25,000
Awnings Coverage	
• Limit	\$2,500
Broadened Coverage for Damage to Premises Rented to You	
• Limit	\$300,000
Building Coverage	
• Limit	\$1,300,000
• Valuation	Replacement Cost
• Inflation Guard %	2
Business Personal Property Coverage	
• Limit	\$250,000
• Seasonal Increase Percent	25
• Valuation	Replacement Cost
Debris Removal	
• Limit	25%/\$10,000
Equipment Breakdown Coverage (HSB)	
• Inspection Contact Name	Mehul Patel
• Phone Number	7082963191
Liability	
• IMPORTANT NOTE	THIS COVERAGE IS RATED BASED ON AN ESTIMATE AND IS SUBJECT TO AUDIT
• IMPORTANT NOTE	THIS COVERAGE IS RATED BASED ON AN ESTIMATE AND IS SUBJECT TO AUDIT
• Limit	Included
Mine Subsidence	
• Limit	Refer to Form BP 10 53
Money and Securities	
• On Premises Limit	\$5,000
• Off Premises Limit	\$5,000

Proposal of Insurance for KRISHUDA OHM LLC (cont.)

Ordinance or Law	
• Coverage Type	Coverage 1 & 2
• Cvg 1 (Loss in Value of Undamaged Portion of Bldg) Limit	\$1,300,000
• Cvg 2 (Demolition Cost) Limit	\$25,000
Ordinance or Law - Increased Cost Of Construction	
• Limit	\$10,000
Outdoor Property	
• Limit	\$10,000
Outdoor Signs - Optional Coverage	
• Limit	\$5,000
Retail Stores Coverage	
• Endorsement Type	Standard
• Coverage Description	Refer to Form BP 99 25
Spoilage	
• Deductible	\$500
• Limit	\$10,000
• Description of perishable stock	Grocery Stores
• Breakdown or Contamination Coverage	Yes
• Power Outage Coverage	Yes
• Check here if a Refrigeration Maintenance Agreement is applicable for this location	Yes
Utility Services - Time Element	
• Waiting Period	Lock In 72 Hour Waiting Period
• Time Element Limit	\$50,000
• Utility	Public
• Water Supply	Yes
• Communication Supply	Yes
• Check here to Include Overhead Transmission Lines for Communication Supply	Yes
• Power Supply	Yes
• Check here to Include Overhead Transmission Lines for Power Supply	Yes
Valuable Papers and Records	
• On-Premises Limit	\$25,000
• Off-Premises Limit	\$25,000
Water Back-up and Sump Overflow	
• Covered Property Limit	\$5,000
• Business Income and Extra Expense Limit	\$5,000

Proposal of Insurance for KRISHUDA OHM LLC (cont.)

Policy Forms To Be Attached at Issuance

Form Number	Form Name
PN MU 01 06 17	Protective Safeguards Policyholder Notice
IIT DS 10 21	Businessowners Policy Declarations
BP 00 03 01 10	Businessowners Coverage Form
BP IN 01 01 10	Businessowners Coverage Form Index
END SCHD	Schedule Of Forms And Endorsements
IL 99 00 08 13	Authorization and Attestation
IL N1 75 11 11	Illinois Notice To Policyholders Regarding The Religious Freedom Protection and Civil Union Act
IL P 001 01 04	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholder
PN 99 MU 04 10 19	Business Personal Property - Insurance to Value
PN IL 01 04 20	Notice of Contact for Complaints
PN IL 02 01 14	Illinois Mold Coverage Limitations
BP 99 IL 01 18	IL Policy Customizations
BP 01 54 01 18	Illinois Changes
BP 06 43 04 06	Illinois Changes - Defense Costs
BP 04 55 01 06	Broadened Coverage For Damage To Premises Rented To You
BP 03 12 01 10	Windstorm or Hail Percentage Deductibles
BP 04 46 01 06	Ordinance or Law Coverage
BP 05 01 07 02	Calculation Of Premium
BP 05 03 01 06	Illinois Liquor Liability Coverage
BP 05 24 01 15	Exclusion Of Certified Acts Of Terrorism
BP 05 41 01 15	Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States
BP 05 42 01 15	Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism
BP 10 50 03 12	Mine Subsidence Non-Residential
BP 10 53 01 06	Illinois Changes - Mine Subsidence Schedule
BP 15 04 05 14	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-related Liability - With Limited Bodily Injury Exception
BP 99 04 01 10	Equipment Breakdown Coverage
BP 99 188 06 16	Deductible Endorsement - Property
BP 99 238 06 17	Protective Safeguards - Fire
BP 99 25 01 10	Retail Stores
BP 99 332 02 18	Cannabis Exclusion
BP 99 412 01 20	Duties After a Loss - Peril of Hail

Proposal of Insurance for KRISHUDA OHM LLC (cont.)

- BP 99 421 03 21 Cyber Incident Exclusion
 - BP 99 60 03 12 Water Back-up and Sump Overflow
 - BP 99 63 03 12 Utility Services - Time Element
 - BP 99 64 03 12 Business Income Changes - Time Period
 - BP 99 72 01 13 Spoilage Coverage
 - BP 99 84 01 14 Illinois - Employment-Related Practices Liability Endorsement
 - BP 99 86 04 14 Hired Auto And Non-owned Auto Liability
 - BP 04 12 04 17 Limitation of Coverage to Designated Premises, Project or Operation
- Description of Premises: All location addresses specifically contained within Section I Property Coverages and Limits of Insurance of the declarations page(s)
- PRIV POL Privacy Policy

Name(s) -
 Location - XXX
 Building -

DISCLAIMER This proposal/quote is not a binder. The Total Estimated Cost is based upon information provided to date and is subject to change even after coverage has been bound, based upon availability of additional pricing or underwriting information or considerations and/or upon the results of loss control surveys and compliance with recommendations. This summary of policy coverages, premium, and limits is not an insurance policy. For further details about the coverage, please review the policy forms and declarations pages. In the event of a conflict, the terms stated in the insurance policy shall govern. Please be aware that this proposal encompasses only the coverages listed and that those coverages are subject to the final terms and conditions stated in the policy. Our only offer of insurance is stated by the terms of this proposal, which can only be changed by our issuance of a new proposal.

Prospect Number: GRBP486802

PROPOSAL-12-29-2022-06 Accepted by: _____
 (print name)

Prospect's Signature: _____

Date: _____

Fax this signed proposal page to us at 570-820-7968



Berkshire Hathaway
GUARD Insurance
Companies

**IMPORTANT INFORMATION:
A PROTECTIVE SAFEGUARDS
ENDORSEMENT HAS BEEN INCLUDED IN THIS
BUSINESSOWNER'S POLICY PROPOSAL**

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
001	001	P-1, Automatic Sprinkler System

As a condition of this insurance, the protective devices or services shown above **MUST** be maintained and proof of proper maintenance provided to us upon request. Be aware that these protective safeguards will also be listed on the protective safeguards endorsement attached to the policy.

Since proper maintenance of any protective safeguards claimed is a requirement of this coverage and failure to do so could result in denial of a claim under the policy, be sure to confirm that the protective safeguards shown above comply with these terms and conditions.

If any listed device or service does not exist, is not operational, or is not connected, notify us immediately. If we do not hear from you, we will assume that all safeguards being claimed are in place and being maintained in accordance with the terms stated above. If you have any questions, please feel free to contact us by phone at 570-825-9900 or by e-mail at csr@GUARD.com.

****UPON ACCEPTANCE OF THIS QUOTE AND SUBSEQUENT ISSUANCE,
READ YOUR INSURANCE POLICY
FOR COMPLETE TERMS AND CONDITIONS****

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

REJECTION OR SELECTION OF TERRORISM INSURANCE COVERAGE

I elect to purchase terrorism coverage for a prospective premium of \$ _____.

I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses arising from certified acts of terrorism.

Note: In states where applicable, if you decline this offer, the premium for terrorism (fire only) coverage is \$ 31 _____.

Important Note: Your election or rejection shall apply to renewals unless you provide us with a signed Policyholder Disclosure form changing your election.

Policyholder/Applicant's Name (Print)

GRBP486802

Policy Number

Authorized Signature

Date

AmGUARD • NorGUARD



Mine Subsidence Insurance Rejection Form

The Illinois Mine Subsidence Act (Article XXXVIII A) requires that Mine Subsidence Insurance be available for any building in Illinois on policies providing fire and extended coverage beginning January 1, 1994. Additional details about the coverage can be provided by your agent. Coverage is afforded only as set forth in your policy.

Mine Subsidence coverage may be rejected by you. To reject coverage, complete and return this rejection form within 30 days of policy inception. If your insurance application is accepted by us, and a policy is issued to you before this rejection form is received by us, your policy will be issued with Mine Subsidence coverage for all the below buildings.

Reject	Loc #	Bldg#	Address
<input type="checkbox"/>	001	001	1660 W Main St St Charles, IL 60174-1630

I (We) do not desire Mine Subsidence coverage and hereby waive any right to such coverage under this policy or any future policy covering my (our) interest in the property identified above, unless I (we) request mine subsidence insurance coverage, in writing, at some future date.

Policyholder/Applicant's Name (Print)

Policyholder/Applicant's Signature

GRBP486802

Policy Number

Date

IMPORTANT NOTICE AFFECTING YOUR COVERAGE

Business Personal Property – Insurance to Value

This notice is being provided to make sure you understand the importance of insuring your Business Personal Property to its full replacement cost.

Paragraph 5. Loss Payment of Paragraph E. Property Loss Conditions states.

(b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:

(i) The actual cash value of the lost or damaged property; or

(ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.

To illustrate, if your Business Personal Property's full replacement cost is \$200,000 and you insure it for \$100,000, if you sustain a \$50,000 loss, you would only receive \$31,250, or the Actual Cash Value.

This provision applies to all property coverages, however for your type of business we wanted to highlight the importance of the provision on Business Personal Property.

This summary is provided for informational purposes only, and the contents are not intended to amend, alter, or change any of the terms or conditions of the policy. Similarly, this Notice is not a substitute for reviewing the actual forms and endorsements contained in the policy. Please read the policy to better understand the terms and conditions of the coverage provided.



P.O. Box A-H
 Wilkes-Barre, PA 18703-0020
 570-825-9900
 800-673-2465
 www.guard.com

PRIVACY POLICY

Rev. February, 2020

WHAT DO BERKSHIRE HATHAWAY GUARD INSURANCE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

FACTS	
Berkshire Hathaway GUARD Insurance Companies include: AmGUARD Insurance Company, AZGUARD Insurance Company, EastGUARD Insurance Company, NorGUARD Insurance Company, WestGUARD Insurance Company, GUARDCo, Inc., (a medical management affiliate).	
Why?	Financial Companies choose how they share your personal information. Federal and State law gives consumers the right to limit some, but not all, sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend upon the product or service you have with us. This information can include: <ul style="list-style-type: none"> • Social Security Number, date of birth, driving record, income • Credit history, credit-based insurance scores, insurance claim history, payment history When you are no longer our customer, we continue to share your information as described in this notice.
How?	All financial companies may need to share customers' personal information to run their everyday business. In the section below, we list the reasons insurance companies share their customers' personal information; the reasons we choose to share; and whether you can limit this sharing.

REASONS WE CAN SHARE YOUR PERSONAL INFORMATION	Does Berkshire Hathaway GUARD share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, comply with government agency examinations/procedures, or report your creditworthiness.	Yes	No
For our marketing/processing purposes— to offer our products and services to you. (We may also disclose information received from you with companies that perform services for us.)	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences.	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness.	Yes	Yes
For our affiliates to market to you	Yes	Yes
For non-affiliates to market to you	Yes	Yes
To limit our sharing	Call Customer Service at 1-800-673-2465 or visit us online at www.guard.com/privacy/ . Please note: If you are a new customer, we can begin sharing your information 30 days from the date we provided this notice. When you are no longer our customer, we continue to share your information as described in this notice in accordance with applicable law. However, you can contact us at any time to limit our sharing in accordance with the table above.	
Questions?	Call Customer Service at 1-800-673-2465.	

Who we are	
Who is providing this notice?	Berkshire Hathaway GUARD Insurance Companies (including property and casualty licensees AmGUARD Insurance Company, AZGUARD Insurance Company, NorGUARD Insurance Company, EastGUARD Insurance Company, and/or WestGUARD Insurance Company as well as GUARDCo, Inc.) is providing this notice. References in this form to "us", "we" or "our" refers to these companies.
What we do	
How do we protect your personal information?	To protect your personal information from unauthorized access and use, we implement security measures that comply with applicable law. These measures include computer safeguards and secured files and buildings.
How do we collect your personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> • apply for insurance • pay insurance premiums • file an insurance claim • give us your income information • give us your contact information. <p>We also collect your personal information from others (such as credit bureaus, affiliates, or other companies) including, for example, from:</p> <ul style="list-style-type: none"> • your insurance agent or producer • your transactions with our affiliates listed below or other consumer reporting agencies.
Why can't I limit all sharing?	<p>Applicable law gives you the right to limit only:</p> <ul style="list-style-type: none"> • sharing for affiliates everyday business purposes – Information about your creditworthiness and insurability • affiliates from using your information to market to you • sharing for non-affiliates to market to you.
What happens when I limit sharing for a policy I hold jointly with someone else?	Your choices will apply to everyone on your policy.
Definitions	
Affiliates	<i>Companies (other than the companies identified in "Facts" above) that are related to us by common ownership or control of Berkshire Hathaway Inc. Affiliates can be financial and nonfinancial companies.</i>
Non-affiliates	<i>Companies not related to us by common ownership or control, which can be financial and nonfinancial companies.</i>
Marketing	<i>The promotion or advertising of insurance products or services to you. Marketing partners may include, but are not limited to, insurance licensees such as insurance agents appointed by us or their affiliates.</i>
Other Important Information	
Important Information about Credit Reporting: We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.	
For California Residents: If you opt out, we will not share information we collect about you with nonaffiliated third parties, except as permitted by California law, such as to process your transactions or to maintain your account. Please visit www.guard.com/privacy-policy/ to review our California Privacy Policy.	
For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.	



**Illinois
Casualty
Company**

225 20th Street, Rock Island, IL 61201 • (309) 793-1700 • (800) 445-3726 • www.ilcasco.com

Date: December 29, 2022

Agency: Alpha Insurance Solutions, LLC

Attention: Asma Syed

BQ1506252 Businessowners

Named Insured(s): Grishu Ohm LLC
Krishuda Ohm LLC

Location(s) of Risk: 1 - 1660 W Main St, Saint Charles, IL 60174 (KANE County)

LQ1506253 Liquor Liability

Named Insured(s): Grishu Ohm LLC
Krishuda Ohm LLC

Location(s) of Risk: 1 - 1660 W Main St, Saint Charles, IL 60174 (KANE County)

Premium Indication Only. Any deletion or modification of coverage may not be directly proportional to the premium charge shown on the premium indication. Please contact your Underwriter for revisions.

For any questions, please contact us immediately.

Kimberly Schmidt
Underwriter



GENERAL INFORMATION

Quote Subject to Satisfactory Inspection and Verification of Loss History.

NOTE: An original, signed APPLICANT'S AGREEMENT TO THE INSURANCE APPLICATION(S) is required for each named insured before a policy can be issued.

BUSINESSOWNERS INFORMATION

TERRORISM

Terrorism coverage will be provided unless the insured signs to reject terrorism coverage.

ADDITIONAL INSURED - AS REQUIRED IN WRITTEN AGREEMENT WITH YOU OR BY ORDINANCE

This additional insured endorsement has been added as a suggested option for your client. This liability endorsement covers common additional insured exposures occurring when the insured is contractually obligated in writing or statutorily required to insure the interests of the additional insured(s). The advantages of using this endorsement are the ability to replace multiple other additional insured endorsements at a potentially lower cost and the convenience of not requiring the name and mailing address of the additional insured(s).

UNDERWRITER COMMENTS

We have quoted based on NO losses. The loss runs for the most recent 3 years are required to bind. If there have been any claims, the quote may be amended or withdrawn.

To bind coverage, please provide the inspection contact name and phone number.

Since this risk is 100% sprinklered, we have included the Protective Safeguards endorsement. If this endorsement is not wanted, please advise and we will re-quote.

The named insured has been amended to reflect two LLC entities. The exact interest of each LLC is required to bind. Please review and advise if any changes are needed.

The food sales have been increased to \$1,000,000 to adequately reflect a 24 hour convenience store. Verifiable sales receipts for the most recent 12 months is required to review to reduce the receipts.

Per the gasoline sales entered, we have estimated 1,000,000 gallons sold using and average price of \$4 per gallon. Please advise if any changes are needed.

We have added \$400,000 to the other receipts to reflect miscellaneous, tobacco, and lottery sales. Please provide a breakout of the sales if any changes are needed.

Please review the building limit as it is greater than the amount calculated by our building valuation software.



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UNDERWRITING COMMENTS

225 20th Street, Rock Island, IL 61201 • (309) 793-1700 • (800) 445-3726 • www.ilcasco.com

EPLI is quoted with a \$100,000 limit. This is an optional coverage.

LIQUOR LIABILITY INFORMATION

COVERAGE

Coverage includes common law coverage for the injuries that occur in state and out of state. "Owners" of premises automatically qualify as insureds.

UNDERWRITER COMMENTS

The named insured should match the name on the insured's liquor license. Please review and advise if any changes are needed.



**Illinois
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BIND ORDER
Named Insured: *Grishu Ohm LLC*

BIND AND ISSUE EFFECTIVE DATE: _____

LIABILITY OPTION: <i>Limits shown in thousands</i>	<input type="checkbox"/> BQ1506252 <i>with liability option.</i> [1] 1000/2000 25%/9 Annual
	<input type="checkbox"/> LQ1506253 <i>with liability option.</i> [1] 1000 25%/9 Annual

ISSUE:	<input type="checkbox"/> As Quoted with EPLI
	<input type="checkbox"/> As Quoted without EPLI and
	<input type="checkbox"/> With the Following Coverage Changes:

Expected Premium After Coverage Changes: _____	

PAYMENT OPTIONS: *Payment Options: Website: www.icasco.com Automated System: (855) 729-2422 Mobile App: ICC2GO Billing Representative: (309) 793-1700 ext. 808 Mail: PO Box 4208, Rock Island, IL 61204-4208	1. SELECT BILLING PLAN
	All By Policy
	Policies BP LL
	<input type="checkbox"/> [] [] [] 25% down & 9 monthly installments
	<input type="checkbox"/> [] [] [] 25% down, 25% at 2 months, 25% at 5 months, 25% at 8 months
	<input type="checkbox"/> [] [] [] 40% down, 30% at 3 months, 30% at 6 months
	<input type="checkbox"/> [] [] [] 8.3% down & 11 monthly installments
	<input type="checkbox"/> [] [] [] One payment per policy term
	<input type="checkbox"/> [] [] [] 16.7% down & 10 monthly installments; continuous (ACH Required)
	2. SELECT PAYMENT METHOD
<input type="checkbox"/> ACH (Automatic Withdrawal) (Funds will be withdrawn around due date.) <i>(A completed Direct Bill ACH Enrollment & Authorization Form is attached.)</i>	
<input type="checkbox"/> OTHER (See *Payment Options)	
3. SELECT DOWN PAYMENT METHOD (Down Payment is due at the time of binding)	
<input type="checkbox"/> ACH (Automatic Withdrawal) (Funds will be withdrawn around effective date.) <i>(A completed Direct Bill ACH Enrollment & Authorization Form is attached.)</i>	
<input type="checkbox"/> OTHER (See *Payment Options)	

BILLING STATEMENT OPTIONS: <i>Please choose one option</i>	<input type="checkbox"/> Email	Email Address: _____
		<i>(If the billing address is different from the mailing address on the policy)</i>
	<input type="checkbox"/> Mail	C/O: _____
		Address: _____
		City/State/Zip: _____

SIGNATURE: _____ **Signature of Producer** _____ **Date** _____

DID YOU KNOW?

Through ICC's policyholder website, you can

- ✓ View your account(s) and policy documents
- ✓ Pay your bill
- ✓ Report a claim
- ✓ View claim status
- ✓ Submit service receipts
- ✓ View and submit audit documents

FREE
access to

Employment Law Advice
and Support Resources

Cyber Protection
Resources

Visit www.ilcasco.com and click on
Policyholders to get started



You can also make a payment and report a claim on ICC's mobile app: *ICC2Go*
Available on Google Play and the App Store

Replacement Cost Estimate

Prepared by: Steve Langhauser (stevel@ilcasco)
Valuation ID: 11003239-1.1

Owner Information

Name: GRISHU OHM LLC, KRISHUDA OHM LLC	Date Entered: 12/30/2022
Street: 1860 W Main St	Date Calculated: 12/30/2022
City, State ZIP: Saint Charles, IL 60174	Created By: Steve Langhauser (stevel@ilcasco)
Country: USA	User: Steve Langhauser (stevel@ilcasco)
Seismic Zone: 0	

Property Information

Name: GRISHU OHM LLC, KRISHUDA OHM LLC	Bldg #: 1
Street: 1660 W MAIN ST	
City, State ZIP: SAINT CHARLES, IL 60174	
Country: USA	

Structure Information

General Information:	
Total Square Footage: 2,800	Cost per Sq. Ft.: \$263.22
Property Slope: None (0 - 15 degrees)	
Site Access: Average - No Unusual Constraints	
Primary Building:	
Year Built: 2015	Above Grade Supporting Wall: 100% Masonry - Structural (Giant) Brick
Number of Stories: 1	Foundation Shape: Simple Rectangle
Average Story Height: 12	Foundation Type: 100% Concrete Slab with Footings
Construction Class: 4 - Masonry Non-Combustible	Subtotal: \$569,769.47
Primary Use: Store - Convenience w/Gas Pumps	Quality: Standard
Square Footage: 2800	

Structural Options

Primary Building: Store - Convenience w/Gas Pumps	
Foundation Material: 100% Concrete	Exterior Wall Finish: 100% Bare Structural (Giant) Brick Walls Only
Window Density: 10 - 20%	Roof Type: Flat
Roof Structure: 100% Steel Joists	Roof Material: 100% Membrane - EPDM or PVC
Interior Partition Walls: 100% Masonry Block	

Features

Primary Building: **Store - Convenience w/Gas Pumps**
Heating and Air Conditioning: 100% Commercial Heat / AC Forced Air System

Estimated Replacement Cost

Calculated Value:	\$737,025.74
-------------------	---------------------

Actual Cash Value

Structure ACV:	\$685,535.80
----------------	---------------------

Store - Convenience w/Gas Pumps: Percentage: 7

The estimated replacement costs and other data reflected herein in this "Report" represent approximated costs to rebuild a structure similar to the structure described herein. The estimate is (i) intended to reflect pricing for labor, materials, applicable permits and fees, sales tax, and contractor's overhead and profit and (ii) not intended to reflect costs for major excavation or land value.

This Report is not intended to: (i) serve as the sole source of information, but rather one of several sources, for estimating replacement costs and not guaranteed to represent actual replacement costs; (ii) serve as a statement as to the existence or condition of the structure or property; and (iii) serve as market value appraisals or an assessment of market conditions.

12/30/2022

This Report has not been adapted to or conformed to any mortgage-lending or real estate-industry regulations, standards or purposes and, without limitation, may not be used or distributed for any real estate-related purpose, including distribution to a mortgage lending institution or use for purposes of a real estate closing. Residential property prefill powered by SmartSource®. The Verisk Logo, 360Value® and SmartSource are registered trademarks of Insurance Services Office, Inc.

22.10.08 PL4LCCXV_DEC22



**Illinois
Casualty
Company**

**INTERLINE FORM
IL PS 01 01 10**

225 20th Street, Rock Island, IL 61201 • (309) 793-1700 • (800) 445-3726 • Fax: (309) 793-1707 • www.icasco.com

**APPLICANT'S AGREEMENT
SUPPLEMENT TO THE INSURANCE APPLICATION(S)**

This supplement is made part of the Applicant Information Section of the ACORD Commercial Insurance Application, the ACORD Business Owners Application, the ACORD Workers Compensation Application, any other Commercial Insurance Application acceptable to Illinois Casualty Company (including, but not limited to, any Liquor Liability Application), AND all sections, addendums, and memorandums attached thereto or later provided.

The signing of this supplement does not constitute a binder of insurance. However, the applicant agrees that the statements made in the application process and all subsequent documentation / information (including, but not limited to the ICC Renewal Information form) provided to Illinois Casualty Company are the applicant's agreements and representations. These representations include, but are not limited to, a full and true description and statement of the condition, situation, value, encumbrance, occupancy and title of the property proposed to be insured as well as a complete description of ALL operations necessary and / or incidental to the applicant's business. Applicant further agrees to notify Illinois Casualty Company of any change thereto. Any policy will be issued in reliance upon the truth of such representations. It is further understood and agreed that no insurance is effective under this agreement (A) unless a binder of insurance is issued designating Illinois Casualty Company has accepted this application and the binder is signed by an authorized agent of Illinois Casualty Company or (B) until the date the policy is issued by Illinois Casualty Company.

APPLICANT / NAMED INSURED (please print): **Krishude Ohm LLC**

Signature of Authorized Representative

Date _____

Printed Name of Authorized Representative

Title of Authorized Representative

Witness Signature

Date _____

Printed Name of Witness



**Illinois
Casualty
Company**

INTERLINE FORM
IL PS 01 01 10

225 20th Street, Rock Island, IL 61201 • (309) 793-1700 • (800) 445-3726 • Fax: (309) 793-1707 • www.icasco.com

**APPLICANT'S AGREEMENT
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APPLICANT / NAMED INSURED (please print): **Grishu Ohm LLC**

Signature of Authorized Representative

Date _____

Printed Name of Authorized Representative

Title of Authorized Representative

Witness Signature

Date _____

Printed Name of Witness

NEW BUSINESS QUOTATION

Insurance Proposal for:

Grishu Ohm LLC

Presented by:

Ms. Asma Syed

Alpha Insurance Solutions, LLC

These materials provide a brief overview of insurance protection that may be provided by Illinois Casualty Company. Given the space limitation, a complete analysis of each and every policy term, condition, exclusion or other provision cannot be provided. These materials are subject to the terms of the actual insurance policy or policies issued. Please read your entire policy or policies issued. Contact your insurance agent with any questions.

Any deletion or modification of coverage may not be directly proportional to the premium charge shown on the quotation. Premiums by premises are included for allocation purposes only.



**Illinois
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225 20th Street, Rock Island, IL 61201 • (309) 793-1700 • (800) 445-3726 • www.licasco.com



**Illinois
Casualty
Company**

**ACH ENROLLMENT & AUTHORIZATION FORM
DIRECT BILL AUTOMATIC ACH PAYMENT**

225 20th Street, Rock Island, IL 61201 • (309) 793-1700 • (800) 445-3726 • Fax: (309) 793-1707 • www.iccasco.com

Account Information:

ICC Account #: _____
 Name: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone Number: (____) _____ - _____ Fax Number: (____) _____ - _____
 Email Address: _____

Financial Institution Information:

Name: _____
 Phone Number: _____
 Routing Transit Number: _____ (always 9 digits)
 Account Number: _____

Please Select All that Apply: Checking Account Savings Account
 Commercial/Business Personal

Authorization:

I/We authorize Illinois Casualty Company (ICC) to process debit entries for amounts due on our regular and audit direct bill accounts, from the bank account and financial institution designated above. I recognize that if I fail to provide complete and accurate information on this enrollment form, the processing of the enrollment may be delayed or made impossible, or my electronic payments may be erroneously made, possibly causing my policy/policies to be cancelled for nonpayment of premium, or my account to incur late fees and/or other applicable charges.

If I decide to change or revoke this authorization, I recognize that I must request and submit a Direct Bill ACH Withdrawal Form to Illinois Casualty Company revoking the ACH authorization. If the information I have provided on this authorization changes, I understand that I must forward a new Direct Bill Enrollment Form to ICC providing the correct information. (The change or revocation is effective on the day ICC processes the request or a future date specified by you.)

Signature: _____ Printed Name: _____
 Title: _____ Date: ____/____/____

***** Please include a copy of a voided check with this enrollment form *****

Fax: (309) 793-1707
 Email: Billing@ilcasco.com



**Illinois
Casualty
Company**

**Businessowners
New Business Quotation**

225 20th Street, Rock Island, IL 61201 • (309) 793-1700 • (800) 445-3726 • Fax: (309) 793-1707 • www.ilcasco.com

Quote #:	BQ1506252	Proposed Effective Date:	December 29, 2022
Quote Date:	December 29, 2022	Proposed Expiration Date:	December 29, 2023
Named Insured(s):	Grishu Ohm LLC Krishuda Ohm LLC		

PROPERTY SECTION

Illinois Casualty Company

**Premises 1 - 1660 W Main St, Saint Charles, IL 60174
(KANE County)**

<u>Description</u>	<u>Valuation</u>	<u>Limit</u>	<u>Deductible</u>	<u>Premium</u>
Building 1				
Building Coverage ● 2% Automatic Increase ● 1% Windstorm or Hail Deductible Percentage ● Cosmetic Damages Exclusion	RC	\$1,300,000	\$1,000	\$1,068
Business Personal Property Coverage ● 1% Windstorm or Hail Deductible Percentage ● 25% Increase to provide for Seasonal Variances	RC	\$500,000	\$1,000	\$618

Property Coverages Provided At All Described Premises At No Additional Cost

NOTE: If a higher limit is requested for any of these included coverages, that limit includes the "Included" limit shown below. Limits are NOT cumulative.

<u>Description</u>	<u>Limit</u>	<u>Deductible</u>	<u>Premium</u>
Accounts Receivable On Premises <i>(Higher limit may be purchased)</i> Off Premises	\$25,000 \$5,000	\$1,000 \$1,000	Included Included
Arson, Theft, and Vandalism Loss Reduction Incentive	\$5,000	None	Included
Claim Data Expenses	\$5,000	\$1,000	Included
Collapse	Included	\$1,000	Included
Computer Fraud And Funds Transfer Fraud	\$10,000	\$500	Included
Cost To Reconstruct - Ordinance Or Law Coverage <i>(To comply with ordinance or law)</i>	\$25,000	\$1,000	Included
Credit Card Forgery	\$5,000	\$500	Included
Credit Card Slip Theft, Disappearance, Or Destruction	\$5,000	\$500	Included
Customer Expense Reimbursement	\$25,000	\$500	Included
Debris Removal <i>(Higher limit may be purchased)</i>	25% of (Deductible + Loss Paid) + \$25,000	\$1,000	Included

(*) - Items automatically added or changed by ICC. (**) - Items requested to be added or changed.

UW 64 01/11
BQ1506252

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Email

Page 1 of 7
BQ SECTION

PROPERTY SECTION

Bluebird Specialty Group, Inc.

Property Coverages Provided At All Described Premises At No Additional Cost (cont.)

NOTE: If a higher limit is requested for any of these included coverages, that limit includes the "included" limit above below. Limits are NOT cumulative.

Description	Limit	Deductible	Premium
Demolition Cost - Ordinance Or Law Coverage <i>(To comply with ordinance or law)</i>	\$25,000	\$1,000	Included
Equipment Breakdown Protection Coverage	Included	\$1,000	Included
Fire Department Service Charge	\$10,000	None	Included
Fire Extinguisher Systems Recharge Expense	\$5,000	None	Included
Forgery or Alteration <i>(Higher limit may be purchased)</i>	\$5,000	\$500	Included
Fungi, Wet Rot And Dry Rot	\$15,000	\$1,000	Included
Lock Replacement <i>(Due to loss of keys if stolen or presumed to be stolen)</i>	\$1,000	\$100	Included
Money Orders and Counterfeit Money	\$5,000	\$100	Included
Newly Acquired Buildings	30 Days	\$1,000	Included
Non-owned Detached Trailers <i>(Higher limit may be purchased)</i>	\$5,000	\$1,000	Included
Outdoor Property	\$25,000	\$1,000	Included
Personal Effects	\$2,500	\$1,000	Included
Personal Effects of Customers <i>(Higher limit may be purchased)</i>	\$5,000	\$1,000	Included
Pollutant Clean Up and Removal	\$10,000	\$1,000	Included
Preservation of Property <i>(All risk coverage)</i>	90 Days ALS	\$1,000	Included
Sewer Back Up <i>(Business Income and Extra Expense Included In limit. Higher limit may be purchased.)</i>	\$5,000	\$1,000	Included
Unscheduled Outbuildings	\$5,000	\$1,000	Included
Valuable Papers & Records			
On Premises <i>(Higher limit may be purchased)</i>	\$25,000	\$1,000	Included
Off Premises	\$5,000	\$1,000	Included
Water Damage, Other Liquids, Powder or Molten Material Damage	Included	\$1,000	Included
Your Business Personal Property Off Premises <i>(Higher limit may be purchased)</i>	\$15,000	\$500	Included

Property Coverages Provided At An Additional Cost

Description	Premises	Building	Limit	Deductible	Premium
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(*) - Items automatically added or changed by ICC. (**) - Items requested to be added or changed.

PROPERTY SECTION

Franklin Energy Company

Property Coverages Provided At An Additional Cost (cont.)

Description	Premises	Building	Limit	Deductible	Premium
Convenience Stores	1	All			\$350
Covered Property - Outdoor Detached Structures			\$5,000	\$1,000	
Damage to Customer Auto While in Car Wash			\$10,000	\$1,000	
Employee Dishonesty			\$5,000	\$500	
Fuel or Lubricant Pumps, Attachments, and Any Connected Hoses or Piping Above Ground			\$20,000	\$1,000	
Fuel or Lubricants Contained Inside Underground Storage Tanks			\$75,000	\$1,000	
Money and Securities - Inside the Premises			\$5,000	\$500	
Money and Securities - Outside the Premises			\$5,000	\$500	
<i>(Records, as defined in the policy, are required for payment)</i>					
Outdoor Signs/Awnings/Tents/Canopies			\$25,000	\$500	
Protection of Property			\$2,500	\$250	
Tickets (Including Lottery Tickets Held for Sale)			\$10,000	\$500	
<i>(Records, as defined in the policy, are required for payment)</i>					
Underground Pipes, Flues, or Drains			\$20,000	\$1,000	
<i>NOTE: If a higher limit is requested for any of these coverages, that limit includes the Convenience Store limit shown above.</i>					
Business Income and Extra Expense	1	All	\$500,000	None	\$250
80% Coinsurance Requirement Applies					
Civil Authority			28 Days		
Extended Period of Indemnity			60 Days		
Ordinary Payroll Expenses			60 Days		
Certified Terrorism Coverage	All	All	Included	\$1,000	\$50
Fuel or Lubricant Pumps, Attachments, etc.	1	All	\$100,000	\$1,000	\$94
Money and Securities					
Money Outside	1	All	\$10,000	\$500	\$13
<i>(Records, as defined in the policy, are required for payment)</i>					
Outdoor Signs/Awnings/Tents/Canopies	1	All	\$100,000	\$500	\$1,145
Spoilage Coverage	1	All	\$5,000	\$500	\$96
<i>(Independent verification of the amount of loss is required)</i>					

Other Property Endorsements

Description	Premises	Building	Premium
Protective Safeguards			
P-1 : Automatic Sprinkler System	1	1	Included

(*) - Items automatically added or changed by ICC. (**) - Items requested to be added or changed.

PROPERTY SECTION

United Liberty Group, Inc.

Property Section Summary

Minimum Applicable Total Property Premium:

\$1000

Total Property Premium:

\$1,000

NOTE: Coverage for flood is not available on this policy.

(* - Items automatically added or changed by ICC. (** - Items requested to be added or changed.

LIABILITY SECTION

Allstate Casualty Company

<u>Description</u>	<u>Limit of Insurance</u>	
	<u>Option 1</u>	
General Aggregate Limit	\$2,000,000	
Each Occurrence Limit	\$1,000,000	
Products - Completed Operations Aggregate Limit	\$2,000,000	
Personal & Advertising Injury Limit <i>(Any one Person or Organization)</i>	\$1,000,000	
Medical Expense Limit <i>(Any One Person)</i>	\$5,000	

Premises 1 - 1660 W Main St, Saint Charles, IL 60174
(KANE County)

	<u>Premium</u>
Food receipts: \$1,000,000	<u>Option 1</u> \$3,200
Liquor receipts: \$500,000	
Other receipts: \$4,400,000	
Total receipts: \$5,900,000	

Coverages Provided That Cannot Be Removed

NOTE: If a higher limit is requested for any of the included coverages, that limit includes the included limit shown below. Limits are NOT cumulative.

<u>Description</u>	<u>Premises</u>	<u>Premium</u>
		<u>Option 1</u>
Cyber Protection \$50,000 Annual Aggregate Limit	All	Included
Merchandise Withdrawal \$50,000 Annual Aggregate Limit <i>(\$2,500 Deductible)</i>	All	Included
Uninsured/Underinsured Motorist Bodily Injury \$25,000 Per Person Limit \$50,000 Per Occurrence Limit	All	Included

Coverages Provided

<u>Description</u>	<u>Premises</u>	<u>Premium</u>
		<u>Option 1</u>
Certified Terrorism Coverage	All	\$64
Damage To Premises Rented To You \$100,000 Per Occurrence Limit	1	Included
Employment-Related Practices Liability Insurance Aggregate Limit: \$100,000 Deductible Limit: \$2,500 Third-Party Coverage: Excluded	All	\$216

(*) - Items automatically added or changed by ICC. (**) - Items requested to be added or changed.

LIABILITY SECTION

Century Casualty Company

Liability Additional Interests

				<u>Premium</u>
<u>Name</u>	<u>Type</u>	<u>Premises</u>	<u>Option 1</u>	
Additional Insured by Written Contract	As Required In Written Agreement With You Or By Ordinance	Al		\$100

Liability Section Summary

	<u>Option 1</u>
<i>Minimum Applicable Total Liability Premium:</i>	\$500
Total Liability Premium:	\$3,649

(*) - Items automatically added or changed by ICC. (**) - Items requested to be added or changed.

PREMIUM TOTALS

Illinois Casualty Company

	<u>Option 1</u>
Total Property Premium:	\$3,684
Total Liability Premium:	\$3,649
TOTAL PREMIUM:	\$7,333

**NOTICE – OFFER OF TERRORISM COVERAGE
NOTICE – DISCLOSURE OF PREMIUM**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "certified acts of terrorism", as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States (U.S.) Government by coercion.

You should know the terrorism coverage offered under this policy excludes "certified acts of terrorism" involving nuclear, biological, chemical or radiological terrorism.

You should know that where coverage is provided by this Policy for losses resulting from "certified acts of terrorism", such losses may be partially reimbursed by the U.S. Government under a formula established by federal law. Under the formula, the U.S. Government generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the federal government under the Act.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from "certified acts of terrorism" when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

If you accept this offer, the premium for terrorism coverage, as provided, under any Liability Option is: \$100 Minimum Premium.

For Information Only: The premium for terrorism (fire only) coverage is \$0, and is included in the enclosed quote/policy.

OPTION TO REJECT TERRORISM COVERAGE

Quote #/Policy # BQ1508252

First Named Insured: Gnshu Ohm LLC

I certify that I have the authority to act on behalf of all named insureds and am hereby so doing. I hereby decline to purchase terrorism coverage for "certified acts of terrorism" on behalf of all named insureds. I understand that I (we) will have no coverage under this policy or any subsequent renewal(s) thereof for losses resulting from "certified acts of terrorism". I understand that this signed rejection remains in effect for the life of the policy or until I accept an offer for "certified acts of terrorism" at a subsequent renewal thereof.

Signature of Authorized Representative

Title of Authorized Representative

Printed Name of Authorized Representative

Date



**Illinois
Casualty
Company**

**LIQUOR LIABILITY
NEW BUSINESS QUOTATION**

225 20th Street, Rock Island, IL 61201 • (309) 793-1700 • (800) 445-3726 • Fax: (309) 793-1707 • www.ilcasco.com

Quote #:	LQ1506253	Proposed Effective Date:	December 29, 2022
Quote Date:	December 29, 2022	Proposed Expiration Date:	December 29, 2023
Named Insured(s):	Grishu Ohm LLC; Krishuda Ohm LLC		

LIQUOR LIABILITY Illinois Casualty Company

<u>Description</u>	<u>Limits of Insurance</u>	
	<u>Option 1</u>	
Each Common Cause Limit	\$1,000,000	
Aggregate Limit	Unlimited	

Premises 1 *1660 W Main St, Saint Charles, IL 60174
KANE County*

	<u>Premium</u>	
	<u>Option 1</u>	
Food receipts:	\$1,000,000	
Liquor receipts:	\$500,000	
Other receipts:	\$4,400,000	
Total receipts:	\$5,900,000	\$1,196

Coverages Provided

<u>Description</u>	<u>Premises</u>	<u>Premium</u>	
		<u>Option 1</u>	
Certified Terrorism Coverage	All	Included	

PREMIUM TOTALS

Option 1*Minimum Applicable Total Premium:*

\$250

TOTAL PREMIUM:**\$1,198**

Potential premium savings* as a member of the &state_ilba	\$239
--	--------------

Total Annual Premium with maximum ILBA credit applied:	\$957
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* Members of the ILBA may qualify for a premium credit of up to 20%, dependent upon answers to the ILBA Questionnaire and applicable minimum premiums; the credit shown above is the maximum premium credit available - actual premium credit that will be applied may be less.

(*) - Items automatically added or changed by ICC.

(**) - Items requested to be added or changed.

NOTICE OF TERRORISM COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "certified acts of terrorism", as defined in Section 102(1) of the Act. The term "act of terrorism" means any act that is certified by the Secretary, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States (U.S.) Government by coercion.

You should know the terrorism coverage offered under this policy excludes "certified acts of terrorism" involving nuclear, biological, chemical or radiological terrorism.

You should know that where coverage is provided by this Policy for losses resulting from "certified acts of terrorism", such losses may be partially reimbursed by the U.S. Government under a formula established by federal law. However, your Policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the U.S. Government generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the federal government under the Act.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from "certified acts of terrorism" when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage, as provided, for "certified acts of terrorism" is: \$0.00 (zero).



**Illinois
Casualty
Company**

QUOTE SUMMARY

225 20th Street, Rock Island, IL 61201 • (309) 793-1700 • (800) 445-3726 • Fax: (309) 793-1707 • www.ilcasco.com

BUSINESSOWNERS PREMIUM TOTALS

	<u>Option 1</u>
Total Property Premium:	\$3,684
Total Liability Premium:	\$3,649
TOTAL PREMIUM:	\$7,333

LIQUOR LIABILITY PREMIUM TOTALS

	<u>Option 1</u>
TOTAL PREMIUM:	\$1,198
Potential premium savings* as a member of the Illinois Licensed Beverage Association:	\$239
Total Annual Premium with maximum ILBA credit applied:	\$957

* Members of the ILBA may qualify for a premium credit of up to 10%, dependent on applicable minimum premiums, the credit shown above is the maximum premium credit available - actual premium credit that will be applied may be less.



ILLINOIS LICENSED BEVERAGE ASSOCIATION MEMBERSHIP APPLICATION



First Name _____ Last Name _____

Business Legal Name _____

Business DBA _____

Business Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____

Email Address _____

Payment Options

- New Member Dues + Initiation Fee (Required = \$250.00)
- New Member Dues + Initiation Fee + PAC Contribution (Recommended = \$350.00)
- Payment enclosed (Make check payable to: Illinois Licensed Beverage Association)
- Charge my credit card (fill out information below)

Please check one:



MasterCard



Visa



American Express



Discover

Name on Credit Card _____ Credit Card # _____ CVV _____

Expiration Date (mm/yy) _____ Signature _____

.....

Please mail or fax completed application along with payment to:

Illinois Licensed Beverage Association

1127 South Second Street
Springfield, IL 62704

Phone: 800-336-4752 ♦ Fax: 217-523-3242

Thank You For Your Support!



**Illinois
Casualty
Company**



**Illinois
Casualty
Company**

YOUR SUPPORT IS NEEDED!



The Illinois Licensed Beverage Association is an advocate for retail business engaged in the sale and/or service of beverage alcohol.

ILLINOIS LICENSED BEVERAGE ASSOCIATION

Members make the Illinois Licensed Beverage Association (ILBA) an effective advocate. With a diverse, active membership involved in the policymaking process, ILBA's positions can truly represent an industry point of view.

The Illinois Licensed Beverage Association is an advocate for retail businesses engaged in the sale and/or service of beverage alcohol. A not-for-profit business trade association, the ILBA:

- ◆ Expresses, promotes, and accomplishes the aims and desires of Illinois alcoholic beverage permit holders.
- ◆ Encourages a better relationship between the retail beverage industry and the citizens of the State of Illinois.
- ◆ Works to cooperate with all legally constituted law enforcement agencies so that all businesses of alcoholic beverage permittees are operated in accordance with Illinois State Law.
- ◆ Elevates the reputation of the licensed beverage industry in the opinions of all that come in contact with it.
- ◆ Provides a means through which a better understanding and relationship is secured among members of the retail beverage industry throughout Illinois.



Illinois Casualty Company is endorsed by the ILBA as the preferred provider of insurance protection for its members. As an insurer of taverns, restaurants, package liquor stores, private clubs and banquet facilities, our successes are dependent upon the successes of your industry.

As an ILBA member, you may qualify for a premium savings of up to 20% on your liquor liability insurance - ask your Illinois Casualty Company Agent for details.*

If you are already a member, thank you for your support! If you are not a member, JOIN TODAY via the attached membership application.

*You must be an active ILBA member by the effective date of the policy.



Name of Applicant/Insured:

The applicant/insured must be a member of the Illinois Licensed Beverage Association.

As a member of the ICC ILBA Safety Group, the following loss control Program measures as described are in place for the responsible selling and/or serving of beverage alcohol:

Formal Training	
Employees receive a certificate of completion from Beverage Alcohol Sales & Service Education & Training (BASSET) or a comparable certification program. <input type="checkbox"/> Yes <input type="checkbox"/> No	
If yes, please indicate how many employees in each of the following positions have certifications:	
Position	Number of Employees
Bartender(s):	
Manager(s):	
Owner(s):	
Security:	
Waitstaff:	
Other:	
If "other", please describe:	

Formal Policies
The ILBA member has a formal policy for the following:
Selling or serving alcoholic beverages to those who appear intoxicated: <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please describe:
Age identification: <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please describe:
Fight prevention and/or fight control if a disturbance occurs: <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please describe:
Designated driver program: <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please describe:
Calling a taxi or providing rides for those who appear intoxicated: <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please describe:
Collection of information (e.g. date, time, witnesses, etc.) when an incident (e.g. fight, refusal of service, etc.) takes place: <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please describe:

Formal Policies	
Coffee and food are always available. <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please describe:	
Are security cameras present? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please indicate areas of coverage:	
The interior, public areas only:	<input type="checkbox"/> Yes <input type="checkbox"/> No
The interior, all areas including employee only areas and storage:	<input type="checkbox"/> Yes <input type="checkbox"/> No
The exterior, entrance or limited coverage only:	<input type="checkbox"/> Yes <input type="checkbox"/> No
The exterior, full coverage include all parking lot(s) area(s):	<input type="checkbox"/> Yes <input type="checkbox"/> No
How long are back up tapes kept before being erased, copied over, discarded or destroyed?	
Are persons or organizations hired to provide security to the operations? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes...	
Employees are hired/engaged: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Independent contractors are hired engaged: <input type="checkbox"/> Yes <input type="checkbox"/> No	
There is a formal policy established regarding authority and the use of reasonable force. <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please describe:	

Attach copies of any written procedures that are in place for the responsible selling and/or serving of alcoholic beverages.

I certify that the above described loss control measures are in place for the responsible selling and/or serving of beverage alcohol. I further certify that the applicant/insured stated above is a member in good standing of the Illinois Licensed Beverage Association as of this date.

 Printed name of Authorized Representative

 Date

 Signature of Authorized Representative

 Title

Form **LLC-5.5**

**Illinois
Limited Liability Company Act
Articles of Organization**

FILE # 12595905

Secretary of State Jesse White
Department of Business Services
Limited Liability Division
www.ilsos.gov

Filing Fee: \$150
Approved By: KKM

**FILED
DEC 16 2022
Jesse White
Secretary of State**

1. Limited Liability Company Name: KRISHUDHA OHM LLC

2. Address of Principal Place of Business where records of the company will be kept:
[REDACTED]
TINLEY PARK, IL 60477

3. The Limited Liability Company has one or more members on the filing date.

4. Registered Agent's Name and Registered Office Address:
MEHULBHAI M PATEL
[REDACTED]
TINLEY PARK, IL 60477-2435

5. Purpose for which the Limited Liability Company is organized:
"The transaction of any or all lawful business for which Limited Liability Companies may be organized under this Act."

6. The LLC is to have perpetual existence.

7. Name and business addresses of all the managers and any member having the authority of manager:
MEHULBHAI M PATEL
[REDACTED]
TINLEY PARK, IL 60477
ASHIK R PATEL
[REDACTED]
TINLEY PARK, IL 60487

8. **Name and Address of Organizer**
I affirm, under penalties of perjury, having authority to sign hereto, that these Articles of Organization are to the best of my knowledge and belief, true, correct and complete.

Dated: DECEMBER 16, 2022 MEHULBHAI M PATEL
801 W IRVING PARK RD
CHICAGO, IL 60613

Illinois BASSET SELLER / SERVER CERTIFICATION

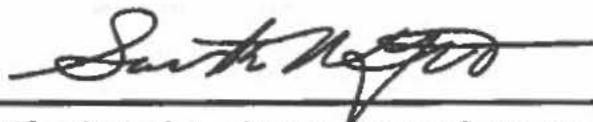
Trainee Name: Mehulbhai Patel

Certificate #: 000027414516

Date of Completion: 01/01/2023

School Name:

360training.com dba Learn2Serve

I, 
certify that the above named person
successfully completed an approved
Learn2Serve Seller/Server course.

This course provides necessary
knowledge and techniques for the
responsible serving of alcohol.

This is your temporary certificate of completion. You will receive your official card in the mail. Please forward all questions to support@360training.com.



Illinois BASSET SELLER / SERVER CERTIFICATION

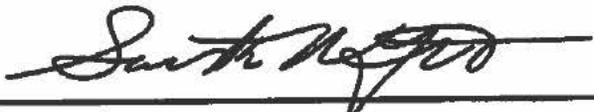
Trainee Name: Ashik Patel

Certificate #: 000027412249

Date of Completion: 12/31/2022

School Name:

360training.com dba Learn2Serve

I, 
certify that the above named person
successfully completed an approved
Learn2Serve Seller/Server course.

This course provides necessary
knowledge and techniques for the
responsible serving of alcohol.

This is your temporary certificate of completion. You will receive your official card in the mail. Please forward all questions to support@360training.com.

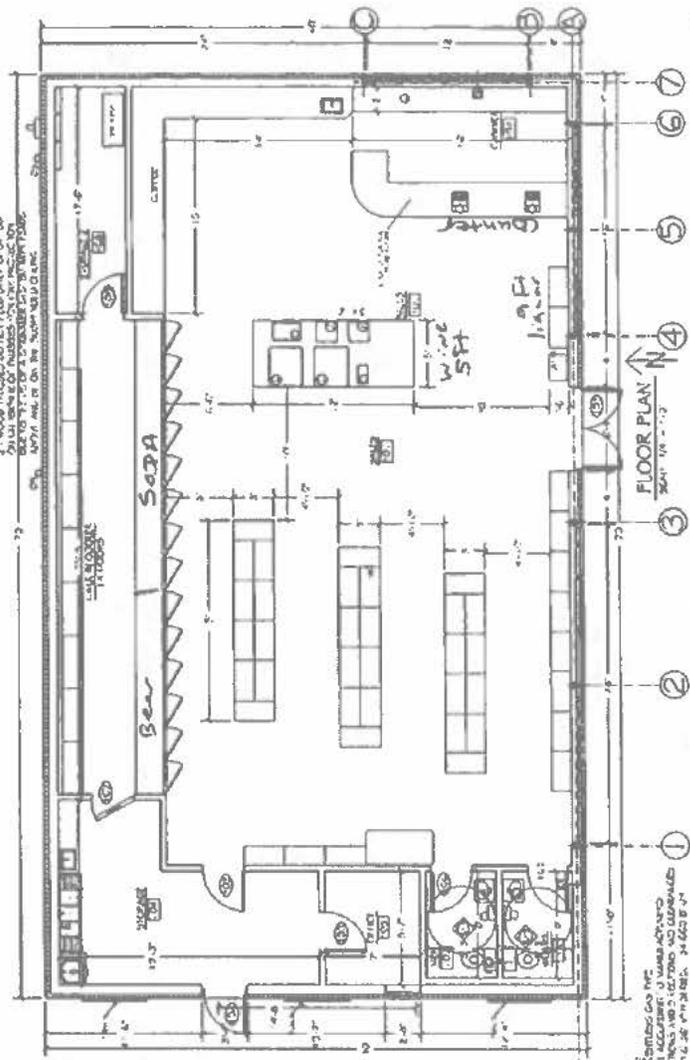

Learn2
Serve

Corporate Headquarters
5000 Plaza on the Lake, Suite 305
Austin, TX 78746
Phone: 877-381-2236

MINOR REVISIONS

NO.	DATE	BY	REVISION
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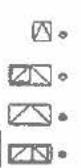
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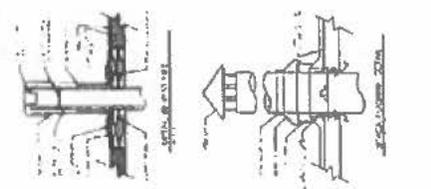
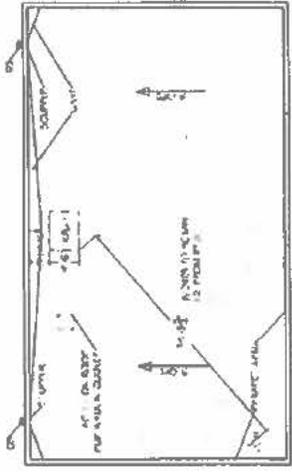
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ERIKSSON ARCHITECTURE	NEW RESTATION
1600 MAIN ST	1600 MAIN ST
CHICAGO, IL	CHICAGO, IL
TEL: 312.555.1234	TEL: 312.555.1234
FAX: 312.555.5678	FAX: 312.555.5678
WWW.ERIKSSONARCH.COM	WWW.ERIKSSONARCH.COM
PROJECT:	FLOOR PLAN
DATE:	NO. 1
SCALE:	A2



FRAME TYPES



Krishudha Ohm LLC
1660 W Main St
St Charles, IL 60174
630-443-4462

Krishudha Ohm LLC is a operating company for BP Gas Station/Convenience store located above address.

BP Gas will be open 24 Hours 7 Days a week. Package goods products will sold as St Charles approval hours only .

BP Gas station will serve Hot dogs, pizza slice, Snacks, Dairy Product, Soda, Beer , Wine, Liquor and Tobacco products/Cigarettes, and automobile oil misc.

BP Gas station also will have Illinois Lottery.

Mart of this space is 2800 Square feet and total land size is 22,500. Place has 8 Gas pumps and 2 Deisel pumps. Total parking are 5 for customers. This gas station was build in 2015.

Krishudha Ohm LLC is applying for all require license to operate in Compliance by City of St Charles and State of Illinois.

Prior to receive Package goods and Tobacco license from City and State Krishuda Ohm LLC will provide Business , Liquor Ilabilty and Work Comh Insurance to St Charles and State.

Quote of Insurance is atatched.

Management Summary

Mehulbhai M Patel and Ashik Patel are, owner of Krishudha ohm LLC (gas station) ,Ashik Patel has twelve years of experience in managing gas stations/convenience stores. Ashik Patel has a reputation as an excellent staff supervisor. From 2010 to 2022, Ashik Patel has been managing gas station/convenience store. Ashik Patel live in Tinley Park Illinois.

Mehulbhai and Ashik Patel are manager for Krishudha Ohm LLC gas station.

mehulbhai has a 7 years of experience of running a liquor store.

Business will operate with all rules and regulation require by City of St Charles and State of Illinois.

Thank You



Receipt

Date: January 3, 2023

Received From:
 Krishudha Ohm, I LLC
 1660 W. Main St.
 St. Charles, IL 60174
 (630) 443-4462

Need to be fingerprinted?
 Please contact the
**St. Charles Police Department for an
 appointment: 630-377-4435**
 1515 W. Main Street

Payment Method	Check No.	Received From
Check	1162	Melhubahi M. Patel Ashik R. Patel

Qty	Cost	Description	Account Code	Fee
		Liquor License Class A - Packaged	100999-42100	\$ -
		Liquor License Class B- Restaurants	100999-42101	\$ -
		Liquor License Class C - Tavern/Bar	100999-42102	\$ -
		Liquor License Class D - Specific	100999-42103	\$ -
		Liquor License Class E - Temporary	100999-42104	\$ -
		Liquor Violations Fee	100999-42290	\$ -
		Massage Establishment License Fee/Renew	100999-42205	\$ -
		Business Licenses/Permits	100999-42200	\$ -
		Towing License	100999-42202	\$ -
		Scavenger/Refuse License	100999-42203	\$ -
		Bowling Alley License	100999-42204	\$ -
		Billiard License	100999-42206	\$ -
		Carnival License/Fees	100999-42210	\$ -
		Coin-Operated Amusement	100999-42220	\$ -
		E-Cigarettes/Tobacco Specialty Store	100999-42230	\$ -
		Cigarette OTC	100999-42231	\$ -
		Theater License	100999-42240	\$ -
2	\$50.00	Fingerprint Fee (\$50 per person)	100900-20618	\$ 100.00
		Legal Fees	100120-54110	\$ -
		Miscellaneous Revenue	100999-46299	\$ -
		Liquor License Violations	100999-42120	\$ -
		Tobacco/Massage Violations	100999-42290	\$ -
		Video Gaming	100999-42225	\$ -
		Total	\$	100.00

Thank you for your business!
 21 Main Street • St. Charles, IL 60174 • Email: stcharles@illgo.com • 630-377-4432



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: *5a

Title:

Authorize staff to award MCCi, LLC an annual contract for Laserfiche support and maintenance for \$29,519

Presenter:

Michael Drake, IT Program Manager

Meeting: Government Operations Committee

Date: January 17, 2023

Proposed Cost: \$29,519

Budgeted Amount: \$33,500

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

Laserfiche is the Electronic Document Management System that was selected through the City's procurement process and approved by City Council on December 1, 2014.

Because the City originally purchased the software from MCCi, LLC, the company has become the provider for the continued ongoing software maintenance and support for Laserfiche. The maintenance contract provides technical support and product upgrades for the covered period of one year, February 20, 2023 to February 19, 2024.

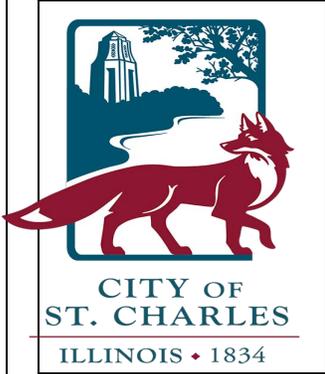
MCCi has provided service to the expected level set by both Laserfiche and the City. We have received above average response time for technical support for everyday support requests, as well as assistance with our custom workflows, and integration with other third party applications. In addition, any new software released from Laserfiche is tested fully by MCCi for performance and functionality. Once complete, we are then advised by MCCi as to whether we should install the new upgrade and what issues the upgrade will solve.

Attachments *(please list):*

Bid Waiver Form, Resolution

Recommendation/Suggested Action *(briefly explain):*

Authorize staff to award MCCi, LLC an annual contract for Laserfiche support and maintenance for \$29,519



BID WAIVER

One Time

Today through

Description: _____

Requested Vendor: _____

Requested by: _____

Date: _____

Approval: _____

Department Head

Bid Waivers are required when there are unique circumstances related to a proposed procurement that has not been competitively solicited.

1. This procurement is valued at \$ _____ for this one time order, and/or
\$ _____ for a 12 month period.

2. This good/service has been competitively solicited within the past 24 months. Yes No
If yes: Was the solicitation published on the city website? Yes No

3. Justification for Bid Waiver

Emergency i.e. declared by the Mayor and applicable to EOC/FEMA procedures.

Urgent i.e. required to resolve an unanticipated problem that, if not resolved within 48 hours, may cause undue risk to individuals and/or extensive damage to property.

Need for these goods/services were **not anticipated and procurement through normal channels would take too long.**

A responsible **contractor was on site** performing a related repair, and, based on professional judgement; it was prudent to request this service/repair from said contractor.

These goods are replacement parts for a **warranted item, and the warranty is still in place**, and purchase of a non-brand item will jeopardize warranty.

These goods/services are **inherently related to, and an ongoing part of**, other goods/services previously provided by the Provider.

These goods utilize a **proprietary, patent, trademark, or customized programing** resulting in lack of competition.

These goods are **standardized** for operational safety and efficiency.

These goods are only available through the provider's **local distribution** channels.

Other:

**City of St. Charles, Illinois
Resolution No.**

**A Resolution to Execute an Agreement with MCCi, LLC for annual
Laserfiche software maintenance and support in the submitted amount**

**Presented & Passed by the
City Council on**

WHEREAS, since 2014 MCCi, LLC of Tallahassee, FL has successfully provided software maintenance and technical support for the City's Laserfiche document management system;

WHEREAS, when the City originally purchased Laserfiche from MCCi, LLC, the company became the provider of software maintenance and technical support;

WHEREAS, MCCi, LLC submitted contract pricing for Laserfiche software maintenance and technical support for the period of one year, February 20, 2023 to February 19, 2024;

THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, an Agreement be approved with MCCi, LLC in the submitted amount.

PRESENTED to the City Council of the City of St. Charles, Illinois, this 6th day of February, 2023

PASSED by the City Council of the City of St. Charles, Illinois, this 6th day of February, 2023

APPROVED by the Mayor of the City of St. Charles, Illinois, this 6th day of February, 2023

Lora Vitek, Mayor

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: 5b

Title:

Recommendation to approve a Microsoft Enterprise Agreement subscription from Dell Marketing LP in the amount of \$236,478.

Presenters:

Larry Gunderson, Director of Information Systems

Meeting: Government Operations Committee

Date: January 17, 2023

Proposed Cost: \$236,478

Budgeted Amount: \$236,748

Not Budgeted: **Executive Summary** *(if not budgeted please explain):*

The City's on-premise email solution, Microsoft Exchange, is coming up to its end of support date, requiring a large monetary commitment of hardware and software upgrades to remain current. This provides the perfect opportunity to move our email and productivity software to the cloud, utilizing Microsoft Office 365.

The Office 365 subscription will include online email for all employees and provide for the latest version of Microsoft's productivity suite of Word, Excel, PowerPoint and Access. It will also include SharePoint, the platform that will be used as the replacement for iNet, the City's intranet software application.

There are many user, business and security benefits of moving to Office 365. From a user's perspective, data and services become more readily available and real-time collaboration is possible through SharePoint, OneDrive and Microsoft Teams. The subscription will also allow the City to scale up or down instantly, by removing or adding licensing as business needs dictate. And finally, from a security perspective, the City will be using Microsoft 365 Government, which meets the advanced security standards required of public sector agencies.

The Microsoft Enterprise Agreement subscription will be a three-year commitment, payable annually in the amount of \$78,826 for a three-year total of \$236,478. At the conclusion of the three years, the City will have the option to opt out of the agreement or re-sign for another three years. The purchase is funded through the City's Equipment Replacement fund, which provides annual funding for the replacement of the City's core end user technology.

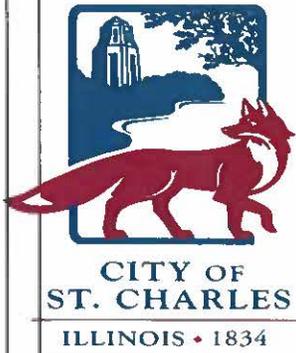
The subscription cost is from the State of Illinois master contract #CMT1176800, which was awarded to Dell Marketing LP. Through the master contract with Dell, Microsoft provides discounted volume pricing on all Microsoft products to any Illinois state agency or local government.

Attachments *(please list):*

Bid Waiver Form, Resolution

Recommendation/Suggested Action *(briefly explain):*

Recommendation to approve a Microsoft Enterprise Agreement subscription from Dell Marketing LP in the amount of \$236,478.



BID WAIVER One Time Today through

Description: Microsoft Enterprise Agreement for Office 365

Requested Vendor: Dell Marketing LP

Requested by: Steve Weishaar

Date: 1/10/23

Approval: Larry Gunderson
Department Head

Lawrence E.
Gunderson

Digitally signed by Lawrence E.
Gunderson
Date: 2023.01.10 17:38:53 -06'00'

Bid Waivers are required when there are unique circumstances related to a proposed procurement that has not been competitively solicited.

1. This procurement is valued at \$ 236,478 for this one time order, and/or
\$ 78,826 for a 12 month period.

2. This good/service has been competitively solicited within the past 24 months. Yes No
If yes: Was the solicitation published on the city website? Yes No

3. Justification for Bid Waiver

- Emergency** i.e. declared by the Mayor and applicable to EOC/FEMA procedures.
- Urgent** i.e. required to resolve an unanticipated problem that, if not resolved within 48 hours, may cause undue risk to individuals and/or extensive damage to property.
- Need for these goods/services were **not anticipated and procurement through normal channels would take too long.**
- A responsible **contractor was on site** performing a related repair, and, based on professional judgement; it was prudent to request this service/repair from said contractor.
- These goods are replacement parts for a **warranted item, and the warranty is still in place**, and purchase of a non-brand item will jeopardize warranty.
- These goods/services are **inherently related to, and an ongoing part of**, other goods/services previously provided by the Provider.
- These goods utilize a **proprietary, patent, trademark, or customized programing** resulting in lack of competition.
- These goods are **standardized** for operational safety and efficiency.
- These goods are only available through the provider's **local distribution** channels.
- Other: Contract pricing from State of Illinois master contract #CMT1176800

**City of St. Charles, Illinois
Resolution No.**

**A Resolution Authorizing the Purchase of a Microsoft Office 365
Subscription for a Three-Year Term from Dell Marketing LP in the
submitted amount**

**Presented & Passed by the
City Council on**

WHEREAS, pursuant to the Illinois Governmental Joint Purchasing Act (30 ILCS 525/1, et seq.) the City may purchase personal property, supplies and services joining with other governmental units; and Illinois State Statutes authorize municipal governments to jointly purchase supplies; and

WHEREAS, the State of Illinois has publicly and competitively bid for a Joint Purchase Master Contract for a Microsoft Licensing Solutions Provider; and

WHEREAS, the State of Illinois awarded master contract #CMT1176800 to Dell Marketing LP of Round Rock, TX, the lowest priced responsive and responsible bidder, for the provision of Microsoft products, support and services and has made the contract available to other public entities; and

WHEREAS, the City solicited a quote for a Microsoft Enterprise Agreement, a three-year subscription for cloud-based Microsoft Office 365 email and productivity software, from Dell Marketing LP; and

WHEREAS, Dell Marketing LP submitted contract pricing though State of Illinois master contract #CMT1176800;

THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, an Agreement be approved with Dell Marketing LP in the submitted amount.

PRESENTED to the City Council of the City of St. Charles, Illinois, this 6th day of February, 2023

PASSED by the City Council of the City of St. Charles, Illinois, this 6th day of February, 2023

APPROVED by the Mayor of the City of St. Charles, Illinois, this ____ day of _____, 2023

Lora Vitek, Mayor

Resolution No. _____

Page 2

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:



CITY OF
ST. CHARLES
ILLINOIS • 1834

AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 6a-c

Title: Recommendation to approve three Ordinances for Pheasant Run Tax Increment Financing Redevelopment Project Area

Presenter: Derek Conley, Economic Development Director

Meeting: Government Operations Committee

Date: January 17, 2023

Proposed Cost: \$

Budgeted Amount: \$

Not Budgeted:

Executive Summary

Background

On March 14, 2022, the City Council approved an Inducement Resolution for the Pheasant Run TIF District. The purpose of the Inducement Resolution is to express the City’s intent to establish a TIF district. Subsequently, the City Council approved a contract with TIF consultant, Kane McKenna and Associates, to assist with the establishment of a TIF district for the Pheasant Run property. Since the approval of the contract, Kane McKenna has created the Pheasant Run Tax Increment Financing Redevelopment Plan and Project. This plan includes an assessment of the area in need of economic assistance and demonstrates why the area needs redevelopment. The plan was filed at the City Clerk’s office on August 26. It is attached to this agenda and available on the City website under City Studies & Initiatives.

The City convened the Joint Review Board, which consists of the various taxing districts on December 1, 2022. The Joint Review Board voted 6-0 on a Resolution and Recommendation to create the Pheasant Run Redevelopment Project Area. Subsequently, the City held a Public Hearing on January 3rd. The public hearing included a presentation from the City’s TIF consultant, Kane McKenna and Associates, however, there were no additional verbal and written comments from the public.

Pursuant to the Illinois Tax Increment Allocation Act, the City must approve three ordinances to officially adopt the Pheasant Run TIF District.

- a. Ordinance approving the Tax Increment Redevelopment Plan and Redevelopment Project
- b. Ordinance designating the Pheasant Run Redevelopment Project Area (RPA)
- c. Ordinance adopting Tax Increment Allocation Financing for the Pheasant Run RPA

Attachments (please list):

- Joint Review Board Resolution & Signatures
- Pheasant Run TIF Redevelopment Plan
- Notice of Public Hearing
- An Ordinance of the City of St. Charles, Kane and Dupage Counties, Illinois, Approving a Tax Increment Redevelopment Plan and Redevelopment Project for The Pheasant Run Redevelopment Project Area.
- An Ordinance of the City of St. Charles, Kane And Dupage Counties, Illinois, Designating the Pheasant Run Redevelopment Project Area of said City A Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act.
- An Ordinance of the City of St. Charles, Kane And Dupage Counties, Illinois, Adopting Tax Increment Allocation Financing for the Pheasant Run Redevelopment Project Area.

Recommendation/Suggested Action (*briefly explain*):

Recommendation to approve the following Ordinances:

- a. An Ordinance of the City of St. Charles, Kane and Dupage Counties, Illinois, Approving a Tax Increment Redevelopment Plan and Redevelopment Project for The Pheasant Run Redevelopment Project Area.
- b. An Ordinance of the City of St. Charles, Kane And Dupage Counties, Illinois, Designating the Pheasant Run Redevelopment Project Area of said City A Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act.
- c. An Ordinance of the City of St. Charles, Kane And Dupage Counties, Illinois, Adopting Tax Increment Allocation Financing for the Pheasant Run Redevelopment Project Area.

**RESOLUTION AND RECOMMENDATION OF JOINT REVIEW
BOARD CREATED AND CONVEYED PURSUANT TO THE
ILLINOIS TAX INCREMENT ALLOCATION ACT FOR THE
PHEASANT RUN REDEVELOPMENT PROJECT AREA,
CITY OF ST. CHARLES, ILLINOIS**

To: Mayor Lora Vitek
and Members of the City Council

WHEREAS, the Joint Review Board convened pursuant to Illinois Tax Increment Allocation Act (65 ILCS 5/11-74.4 *et seq.*) did meet at 2:00 p.m. on December 1, 2022, at the City Hall of the City of St. Charles, Illinois, and was attended by all or some of the affected taxing jurisdictions within the proposed redevelopment project area and a public member pursuant to the aforementioned statute; and

WHEREAS, as the first order of business, a public member of the Joint Review Board was duly selected by a majority vote of all other Joint Review Board members present and thereafter a chairman was selected to preside over the meeting; and

WHEREAS, thereafter the Joint Review Board heard a presentation by Kane, McKenna and Associates, Inc. and did carefully review and consider the public record, planning documents and proposed ordinances approving and adopting the Pheasant Run Redevelopment Plan and Redevelopment Project, designating the Pheasant Run Redevelopment Project Area, and adopting tax increment financing for the Pheasant Run Redevelopment Project Area; the Pheasant Run Redevelopment Plan and Project, City of St. Charles, dated August 2022; and the Eligibility Study for the Pheasant Run Redevelopment Project and Plan dated August 2022, prepared by Kane, McKenna and Associates, Inc.; and after taking comments from the members of the Joint Review Board present and the general public and considering all of said matters did agree by a majority vote of the members of the Joint Review Board present that the proposed Pheasant Run Redevelopment Plan and Project, City of St. Charles, Illinois dated August 2022, be approved and that the Pheasant Run Redevelopment Project Area satisfies the eligibility criteria defined in Illinois Compiled Statute, Chapter 65, Act 5, Section 11-74.4-3.

NOW, THEREFORE, BE IT RESOLVED, the Joint Review Board does hereby submit its recommendation to the City of St. Charles, Illinois that the proposed Pheasant Run Redevelopment Plan and Redevelopment Project, City of St. Charles, Illinois, draft dated August 2022, complies with the Illinois Tax Increment Allocation Act and should be approved and that the Pheasant Run Tax Increment Redevelopment Project Area satisfies the eligibility criteria defined in the Illinois Tax Increment Allocation Redevelopment Act.

DATED this 1ST day of December, 2022.

Steve Conley, CHAIRMAN

Representative of St. Charles

Steve Conley

Representative of DuPage County

NOT PRESENT

Representative of Wayne Township

Randy Ramey SUPERVISOR

Representative of St. Charles Public Library District

Kathleen Berman

Representative of St. Charles Park District

Cathy M. Cannon

Representative of St. Charles Unit School District No. 303

[Signature]

Representative of Elgin Community College District No. 509

NOT PRESENT

Public Member

Alan Wise

**CITY OF ST. CHARLES
PHEASANT RUN TAX INCREMENT FINANCING
REDEVELOPMENT PLAN AND PROJECT**

Prepared By:

Kane, McKenna and Associates, Inc.

Prepared For:

The City of St. Charles, Illinois



February 2023

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LIST OF EXHIBITS

Exhibit A	-	Boundary Map
Exhibit B	-	Legal Description
Exhibit C	-	TIF Qualification Report
Exhibit D	-	Existing Land Use Map
Exhibit E	-	Future Land Use Map

I. INTRODUCTION

The City of St. Charles (the “City”) is a home rule municipality located approximately thirty-five (35) miles west of Chicago and straddles both Kane and DuPage Counties. The City lies adjacent to the municipalities of Wayne to the north, West Chicago to the east, Geneva to the south, and Campton Hills to the west. St. Charles has three commercial centers and numerous residential neighborhoods surrounding them. The City is situated approximately equidistant to the major arterials I-88, I-90, and I-355, and is bisected by IL Route 64 (North Avenue/Main Street) St. Charles is located approximately 36 miles from Chicago O’Hare International Airport. The City is served by the Metra rail service station (Union Pacific West commuter line) located in neighboring Geneva.

The City was founded under the name “Charleston” in 1834 and later incorporated as “St. Charles” in 1839. The City has a population of almost 33,000 according to the Census in 2020. The City continues to focus attention on redevelopment that can maintain and increase the local tax base and non-residential revenues (including sales taxes) for the community. The City currently utilizes its Comprehensive Plan, adopted in 2013 (“Comprehensive Plan”) to guide the City’s economic development efforts. The Comprehensive Plan sets forth long-range recommendations for the future growth and development within the community and for the maintenance of and enhancement to the existing image and character of the City.

Among “Commercial and Office Area” goals within the Comprehensive Plan are: “Develop attractive and highly functional retail and commercial areas that are market responsive, create a diverse tax base, and serve the needs of the city’s residents, and in some areas, a larger regional market.”, and “Enhance the economic viability, productivity, appearance, and function of the City’s commercial corridors, including Randall Road, Main Street, Lincoln Highway, and Kirk Road. The Comprehensive Plan’s “Economic Development” goals include: “Prioritize improvements to existing areas and developments including adaptive reuse and redevelopment” Pursuant to this goal, one of its objectives is to “. . . consider using incentives such as Tax Increment Financing as a means of fostering redevelopment in Downtown, the Charlestown Mall site, and other areas of the City identified as priority investment locations.” In addition, the Comprehensive Plan’s goals include “Continue to support a diversified light industrial /business park/commercial service economic base that provides employment opportunities within the community.”

Source: Comprehensive Plan

The City intends to encourage retail, commercial, and industrial uses to locate, upgrade, or expand and/or modernize their facilities within the City as part of its ongoing economic development planning. In pursuing these uses, a necessary strategy for the City will be to eliminate certain existing adverse conditions within some portions of the community, and to find new means to preserve and strengthen the City’s tax base.

The area discussed in this Pheasant Run Redevelopment Plan and Project (the “**Plan**” or the “**Redevelopment Plan and Project**”) is the proposed Pheasant Run Project Area (the “**Redevelopment Project Area**”, the “**RPA**” or the “**TIF District**”). The RPA consists primarily

of the former Pheasant Run Resort and Golf Course properties located along the south side Main Street (North Avenue/IL Route 64) between Keil Road to the east and Kautz Road to the west. The RPA includes five (5) tax parcels. A boundary map of the RPA is attached as Exhibit A. The RPA is legally described in Exhibit B.

A significant proportion of the Pheasant Run buildings was completely destroyed by fire in May 2022 (the Fire”). This fire exacerbated already existing building and site improvement conditions within the RPA that contributed to the emergence of certain qualification factors as defined by the Tax Increment Allocation Redevelopment Act of Chapter 65 ILCS Section 5/11-74.4 *et seq.*, as amended (the “**TIF Act**” or the “**Act**”) such as obsolescence, excessive vacancies, deterioration, dilapidation, code violations, inadequate utilities. In addition, the EAV of the RPA has lagged behind the EAV for the rest of the City for three (3) of the last five (5) years.

On balance, the combination of factors described above, now aggravated the Fire, may not only inhibit potential for private reinvestment within and around the RPA but may also serve to provoke further economic decline of RPA and areas adjacent thereto. This is because these conditions negatively impact the possibility for coordinated and substantial private sector reinvestment in the overall RPA. Without the use of City planning and economic development resources to address certain issues, potential redevelopment activities are not likely to be economically feasible. These factors potentially weaken the likelihood for redevelopment opportunities, limiting employment and contributing to a lack of future investment in the area. To address these conditions the City seeks to adopt the Pheasant Run TIF, in order to enhance future opportunities for viable redevelopment.

Coordinated redevelopment efforts by the City using the TIF Act, will put the City in a better position to take advantage of redevelopment opportunities that meet new market conditions and trends. Accordingly, under this Redevelopment Plan and Project, and as part of its comprehensive economic development planning, the City intends to attract and encourage retail, commercial, light industrial/warehouse developers and tenants to locate, upgrade, expand and/or modernize their facilities within the City. Through the establishment of the RPA, the City will implement a program to redevelop RPA; in so doing, it intends to stabilize the area, extend benefits to the entire community, and assist affected taxing districts over the long term.

A. The Redevelopment Plan

The City recognizes the need for implementation of a strategy to reposition and revitalize existing properties within the boundaries of the RPA, as well as to stimulate and enhance redevelopment. The permanent closure of the Pheasant Run Resort and Golf Course, along with the resort's physical demise and partial destruction by the Fire, and the resulting impacts in this strategically critical area of the City, especially in light of the decline of the Charlestowne Mall across the street, requires the City to be proactive in encouraging its redevelopment. The City's ability to respond to marketplace demands is a key component of the City's strategy to promote private redevelopment within key parts of the City. The RPA will likely attract the necessary private investment only if tax increment financing (TIF) is adopted pursuant to the TIF Act. Incremental property tax revenue generated by the redevelopment will play a decisive role in encouraging private redevelopment. Existing conditions, such as those associated with properties and site improvements located within the RPA, that may have precluded intensive private reinvestment in the past, will be eliminated. Ultimately, the implementation of the Redevelopment Plan and Project detailed herein will benefit the City and all the associated taxing districts, in the form of a stabilized and significantly expanded tax base.

The designation of the area as a Redevelopment Project Area will allow the City to address deficiencies within the RPA, by taking the following steps:

- Establishing a pattern of up-to-date retail, commercial, and light industrial/warehouse land-uses that will increase valuation and address evolving market trends, especially as such uses complement adjacent uses;
- Providing efficient vehicular access and connections to regional transportation networks
- Entering into redevelopment agreements in order to facilitate and guide the redevelopment and adaptive re-use of underutilized and obsolete properties;
- Improving area appearance through removal, reconstruction, and renovation of obsolete structures and deleterious conditions, and undertaking state-of-the-art industry landscape, streetscape and signage programs;
- Coordinating land assembly to provide sites for more modern redevelopment plans; and
- Providing infrastructure that is adequate in relation to redevelopment plans.

The area, on the whole, would not reasonably be anticipated to be redeveloped in a coordinated manner without the adoption of this Redevelopment Plan and Project. The City has prepared the Redevelopment Plan and Project to utilize tax increment financing to address area needs and to meet the City's redevelopment goals and objectives.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the RPA. By means of public investment, the City will strengthen the RPA, thus setting the stage for attracting private capital for redevelopment. This, in turn, will lead to the retention, expansion and attraction of commercial, retail and mixed residential use development into the City in general, and the RPA in particular.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements, thereon, substantially benefited by the redevelopment project. Also pursuant to the Act, the area is not less in the aggregate than 1½ acres.

Through this Redevelopment Plan and Project, the City will serve as the central force for marshaling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the City and all the taxing districts, which encompass the RPA in the form of a stabilized and expanded tax base, the retention of existing businesses, and the creation of new businesses and employment opportunities within the City, because of induced private sector investment within the area.

B. Summary

The City, through legislative actions as required by the Act, finds:

- That the RPA, as a whole, has not been subject to growth and development through investment by private enterprise.
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of the RPA must be undertaken;
- To alleviate the adverse conditions, it is necessary to encourage private reinvestment and stabilize and enhance the tax base in the RPA for the benefit of the taxing districts through redevelopment of the RPA;
- That public/private partnerships are determined to be necessary in order to achieve development goals;
- That the Redevelopment Plan and Project conforms to the City's Comprehensive Plan (2013);

- That without the development focus and resources provided for under the Act, and as set forth in this Plan, redevelopment and growth is not reasonably expected to be achieved; and
- That the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of benefit to the taxing districts because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment.

It is further found, and certified by the City, in connection with the process required for the adoption of this Plan pursuant to the Act, that the projected redevelopment of the RPA will not result in the displacement of ten (10) inhabited residential units or more, and that the RPA contains less than seventy-five (75) inhabited residential units. Therefore, this Plan does not include a Housing Impact Study as would otherwise be required.

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA. Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF.

II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

The Redevelopment Project Area legal description is attached in Exhibit B.

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in accordance with the City's Comprehensive Plan, which is considered the City's comprehensive planning process, and other relevant planning efforts (any amendments thereto).

The RPA, as redeveloped, is expected to achieve a balance of commercial and light industrial redevelopment that is responsive to market trends. A large, obsolete and deteriorating former resort and golf course, located along a key commercial corridor, will be adaptively repositioned to thrive in ever evolving economic climate. It will be redeveloped in a manner consistent with current market development trends and surrounding land uses.

Lacking specific direction in relation to market changes, redevelopment in the RPA is currently stalled. The RPA will provide better guidance for future development and improve coordination between the City, developers, investors, and business owners.

A. General Goals of the City

- 1) Develop attractive and highly functional retail and commercial areas that are market responsive, create a diverse tax base, and serve the needs of the city's residents, and in some areas, a larger regional market.
- 2) Enhance the economic viability, productivity, appearance, and function of the City's commercial corridors, including Main Street (North Avenue/IL Route 64).
- 3) Continue to support a diversified light industrial/business park, commercial service economic base that provides employment opportunities within the community.
- 4) Prioritize improvements to existing areas and developments including adaptive reuse and redevelopment.
- 5) Maintain high quality, environmentally friendly, and efficient infrastructure systems and networks through regular investment and maintenance to meet the changing needs of the City today and in the future

B. Specific Objectives for the RPA

- 1) Maintain a range of retail and service activities throughout the City.
- 2) Build upon the existing commercial zoning district structure to design and designate more specific functional roles for the various commercial areas with their the City distinguished by developments with local, community, and/or regional service markets

- 3) Continue to evaluate the costs and benefits of using incentives and other techniques to initiate redevelopment of key opportunity sites
- 4) Initiate programs to encourage the improvement and rehabilitation of older commercial buildings and areas which are, or are becoming, functionally obsolete, including improvements to infrastructure, technology, functionality, access, and operational footprints.
- 5) Promote a healthy and mutually reinforcing mix of commercial, retail, and service uses along key corridors within the City, including Main Street (North Avenue/IL Route 64)
- 6) Utilize a “character node” approach by requiring high quality development along Randall Road and Main Street (North Avenue/IL Route 64) at key intersections with other arterial or collector streets that serve as the “front door” into the primary commercial areas.
- 7) Establish design and improvement standards for commercial areas to guide the scale, appearance, orientation, and overall character of new development.
- 8) Require all industrial development to meet specific applicable performance standards for noise, air, odor, and any other forms of environmental pollution
- 9) Utilize appropriate setbacks, screening, buffering, and site design to minimize the negative impacts of industrial uses on adjacent areas, such as noise, vibration, air pollutants, odor, truck traffic, large shadows, etc
- 10) Build on and continue to implement the 2007 Economic Development Plan as a for strengthening retail, retail, service, and industrial uses throughout St. Charles.
- 11) Where appropriate, consider using incentives such as Tax Increment Financing as a means of fostering redevelopment in Downtown, the Charlestowne Mall site, and other areas of the City identified as priority investment locations.
- 12) Renovate or redevelop aging commercial areas in order to maximize their contribution to the City’s tax base.

C. Redevelopment Objectives

The purpose of the RPA designation will allow the City to:

- 1) Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal and to conform to City planning efforts;
- 2) Reduce or eliminate the negative factors present within the area;
- 3) Accomplish redevelopment over a reasonable time period;
- 4) Provide for high quality public improvement projects within the RPA; and
- 5) Provide for an attractive overall appearance of the area.

The implementation of the Redevelopment Plan and Project will serve to improve the overall quality of life within the RPA and contribute to the economic development of the City as a whole.

IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH WITHIN THE RPA AND ASSESSMENT OF FISCAL IMPACT ON AFFECTED TAXING DISTRICTS

A. Evidence of the Lack of Development and Growth Within the RPA

As documented in Exhibit C of this Plan, the RPA would qualify as a “blighted improved” area. Properties within the RPA would not likely experience coordinated redevelopment without the designation of the RPA.

The proposed RPA exhibits various conditions which, if not addressed by the City, would eventually worsen. For example, structures and site improvements within the RPA reflect obsolescence, excessive vacancies, deterioration, dilapidation, code violations, inadequate utilities, lag in EAV, deleterious land use, and lack of ventilation, light or sanitary facilities. These various conditions discourage private sector investment in business enterprises or in redevelopment sites.

B. Assessment of Fiscal Impact on Affected Taxing Districts

It is anticipated that the implementation of this Redevelopment Plan and Project will have a minimal financial impact on most of the affected taxing districts. In fact, the action taken by the City to stabilize and encourage growth of its tax base through the implementation of this Redevelopment Plan and Project is expected to have a positive impact on the affected taxing districts by arresting and avoiding potential declines in assessed valuations.

Since there is no residential development with the RPA, the City has made no allowances in this Redevelopment Plan and Project to provide for distributions to school taxing districts. In the unlikely event of any unforeseen residential development, the City will follow the guidelines provided by the Act to compensate the school taxing districts at levels dictated by any actual increase in students caused by residential redevelopment, as provided by the Act.

To the extent any surplus exists, any resulting surplus Special Tax Allocation Funds will be proportionately shared with the various taxing districts, including the City, based on their respective tax rates for a given year, after all TIF eligible costs either expended or incurred as an obligation by the City have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the City as provided by the Act. The exception to this provision will be the very unlikely event that the City utilizes TIF funding to assist in the redevelopment of residential units with the impact described above to the school district and library district. In such cases, the City will provide funds to offset the costs incurred as prescribed by the Act.

V. **TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA**

A. **Findings**

The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act (65 ILCS 5/Art. 11 Div. 74.4, the “*TIF Act*”). It was determined that the area, as a whole, qualifies as a TIF District under Illinois law based upon “blighted improved area” factors. Refer to the Qualification Report, (Exhibit C) which is attached as part of this Plan.

B. **Eligibility Survey**

The RPA was evaluated, from time to time, over a period from December 2021 through the date of this Redevelopment Plan and Project. Analysis was aided by certain reports and information obtained from the City and from other sources, including DuPage County and Wayne Township.

VI. HOUSING IMPACT STUDY FINDINGS IN THE REDEVELOPMENT PROJECT AREA

Findings

The RPA was studied to determine if a housing impact study would need to be conducted pursuant to the TIF Act. The City has found that the plan will not displace ten (10) or more residents and that the RPA contains less than seventy-five (75) inhabited residential units, thus a housing impact study is not required to be completed.

VII. REDEVELOPMENT PROJECT

A. Redevelopment Plan and Project Objectives

The City proposes to realize its goals and objectives of encouraging the redevelopment of the RPA and encouraging private investment through public finance techniques including, but not limited to, Tax Increment Financing:

- 1) By implementing a plan that provides for the retention and expansion of existing businesses and bolsters the attraction of users to redevelop existing or new structures, as well as vacant or underutilized parcels that are, or may become available, within the RPA.
- 2) By constructing public improvements which may include (if necessary):
 - i. Street and sidewalk improvements (including new street construction, widening of current streets, and multi-use pedestrian and bicycle paths);
 - ii. Utility improvements (including, but not limited to, electric, water, storm water management, flood control and sanitary sewer projects consisting of construction and rehabilitation);
 - iii. Signalization, traffic control, and lighting;
 - iv. Off-street parking (structured and/or grade);
 - v. Landscaping, streetscape, and beautification; and
 - vi. Improve public facilities and institutional uses.
- 3) By entering into redevelopment agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) By providing for land assembly, site preparation, environmental remediation (if necessary), clearance, and demolition, including grading and excavation.
- 5) By the redevelopment of certain buildings or sites through necessary rehabilitation and improvement of structures.
- 6) By exploring and reviewing job training programs in coordination with any City, federal, state, and county programs.
- 7) By entering into agreements with other public bodies for the development or construction of public facilities and infrastructure.

B. Redevelopment Activities

Pursuant to the foregoing objectives, the City will implement a coordinated program of actions, including, but not limited to, site preparation, clearance, acquisition, demolition, construction of public infrastructure and related public improvements, and rehabilitation of existing structures and improvements, if necessary.

Site Preparation, Clearance, and Demolition

Property within the RPA may be acquired and improved using site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment.

Land Assembly and Relocation

Certain properties or interests in properties in the RPA may be acquired or purchased by private entities. These properties may be assembled and reconfigured into appropriate redevelopment sites. The City may facilitate private acquisition through reimbursement of acquisition and related costs through the write-down of acquisition costs. Relocation activities may also be undertaken by the City.

Public Improvements

The City may provide public improvements in the RPA to enhance the immediate area and support the Redevelopment Plan and Project. Appropriate public improvements may include, but are not limited to:

- Improvements and/or construction of public utilities including the improvement of water mains as well as flood control, sanitary, storm sewer, and electric distribution systems;
- Beautification, identification markers, landscaping, lighting, and signage of public rights-of-way; and
- Construction of new (or rehabilitation of existing) public facilities to allow for the redevelopment of the existing sites for retail/commercial and light industrial uses, including parking facilities.

Rehabilitation

The City may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conformance to City code provisions. Improvements may include exterior and facade related work as well as interior related work.

Interest Rate Write-Down

The City may enter into agreements with owners/developers whereby a portion of the interest cost of a construction, renovation or rehabilitation project is paid for on an annual basis out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

Job Training

The City may assist facilities and enterprises located within the RPA in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- Federal programs;
- State of Illinois programs;
- Applicable local vocational educational programs, including community college sponsored programs; and
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

School District Tuition Costs

The City will provide for the payment of eligible tuition costs as provided for in the TIF Act.

C. General Land Use Plan

Existing land use generally consists of commercial/retail and recreational uses. Future land use would include light industrial, retail and commercial uses. Existing and future land uses are shown in Exhibits D and E attached hereto and made a part of this Plan.

D. Additional Design and Control Standards for Development in the City

The appropriate design controls, as set forth in the City’s Comprehensive Plan, Zoning Ordinance, or other relevant codes shall apply to the RPA.

E. Estimated Redevelopment Project Costs

“*Redevelopment Project Costs*” mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, as provided in the Act, and any such costs incidental to the Redevelopment Plan and Project. Private investments, which supplement Redevelopment Project Costs, are expected to substantially exceed the Redevelopment Project Costs. Eligible costs permitted under the Act which may be pertinent to this Redevelopment Plan and Project include:

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, or other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; except that after November 1, 1999, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, “redevelopment project costs” shall not include lobbying expenses;
 - 1.1 After July 1,1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment area or approved a redevelopment plan;
2. The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
5. Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November, 1, 1999 redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of this amendatory Act of the 91st General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
6. Costs of job training and retraining projects including the costs of ‘welfare to work’ programs implemented by businesses located within the redevelopment project area;
7. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
8. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district’s capital (and additional student tuition) costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;

9. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999 an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:
 - a) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

- b) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school district, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school district, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act.
- c) Any school district in a municipality with a population of 1,000,000, additional restrictions apply.

Any school district seeking payment shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by the Act. By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects.

10. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005, a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library district by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph applies only if (i) the library is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

The amount paid to a library district under this paragraph shall be calculated by multiplying (i) the net increase in the number of persons eligible to obtain a library card in that district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by (ii) the per-patron cost of providing library services so long as it does not exceed \$120. The per-patron cost shall be the Total Operating Expenditures Per Capita as stated in the most recent Illinois Public Library Statistics produced by the Library Research Center at the University of Illinois. The municipality may deduct from the amount that it must pay to a library district under this paragraph any amount that it has voluntarily paid to the library district from the tax increment revenue. The amount paid to a library district under this paragraph shall be no more than 2% of the amount produced by the assisted housing units and deposited into the Special Allocation Fund.

A library district is not eligible for any payment under this paragraph unless the library district has experienced an increase in the number of patrons from the municipality that created the tax-increment-financing district since the designation of the redevelopment project area.

Any library district seeking payment under this paragraph shall, after July 1 and before September 30 of each year, provide the municipality with convincing evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the library district. If the library district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. Library districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this

paragraph. By acceptance of such reimbursement, the library district shall forfeit any right to directly or indirectly set aside, modify, or contest in any manner whatsoever the establishment of the redevelopment project area or projects;

11. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
12. Payment in lieu of taxes;
13. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code;
14. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a) such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;
 - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
 - c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund;
 - d) the total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any

property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;

- e) the cost limits set forth in subparagraphs (b) and (d) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act and the percentage of 75% shall be substituted for 30% in subparagraphs (b) and (d);
- f) Instead of the eligible costs provided by subparagraphs (b) and (d), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (f) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (f).

The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (f) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated

with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later;

15. If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, “low-income families” means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county or regional median income are determined from time to time by the United States Department of Housing and Urban Development.
16. Unless explicitly stated herein the costs of construction of new privately owned buildings shall not be an eligible redevelopment project cost;
17. After November 1, 1999, none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment projects if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, has become economically obsolete, or was no longer a viable location for the retailer or serviceman;
18. No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. “Historic Resource” means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax incremental revenues derived from the tax imposed pursuant to Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by the TIF Act.

Estimated costs are shown on the next page. Adjustments to these cost items may be made without amendment to the Redevelopment Plan and Project.

**CITY OF ST. CHARLES
PHEASANT RUN REDEVELOPMENT PROJECT
ESTIMATED PROJECT COSTS**

<u>Program Actions/Improvements</u>	<u>Estimated Costs (A)</u>
1. Land Acquisition, Assembly Costs	\$ 9,000,000
2. Demolition, Site Preparation, Environmental Cleanup and Related Costs	\$ 16,500,000
3. Infrastructure/Public Facilities Improvements	\$ 3,000,000
4. Rehabilitation Costs	\$ 1,500,000
5. Interest Costs Pursuant to the Act	\$ 5,500,000
6. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	\$ 1,000,000
7. Job Training	\$ 100,000
8. Statutory School District Payments	\$ 6,000,000
TOTAL ESTIMATED PROJECT COSTS	\$ 42,600,000

(A) All project cost estimates are in year 2022 dollars. In addition to the above stated costs, any bonds issued to finance a phase of the Project may include an amount sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for annual interest costs, capitalized interest and reasonably required reserves. Adjustments to the estimated line-item costs above are expected. Each individual project cost will be reevaluated considering the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The line-item amounts set forth above are not intended to place a not to exceed limit on the described expenditures as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the amount of payments for the Total Estimated Project Costs shall not exceed the combined overall budget amount shown above. Adjustments may be made in line items within the total, either increasing or decreasing line-item costs for redevelopment.

Pursuant to the Act, the City may utilize net incremental property tax revenues received from other existing or future contiguous redevelopment project areas to pay eligible redevelopment project costs or obligations issued to pay such costs in the proposed RPA, and vice versa.

F. Sources of Funds to Pay Redevelopment Project Costs Eligible Under Illinois TIF Act

Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from property tax increment revenues, proceeds from municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Plan and Project.

“Redevelopment Project Costs” specifically contemplate those eligible costs set forth in the Act and do not contemplate the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed, and TIF or other public sources are to be used, subject to approval by the City’s corporate authorities, only to leverage and commit private redevelopment activity.

The tax increment revenues, which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs, shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2021 tax year for the RPA.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the City may from time to time deem appropriate.

The Redevelopment Project Area would not reasonably be expected to be developed in a coordinated manner without the use of the incremental revenues provided by the Act.

The City may also direct incremental revenues from the Redevelopment Project Area to any existing or future contiguous redevelopment project areas for redevelopment activities in conformance with the provisions of the Act and it may also receive incremental revenues from any existing or future contiguous redevelopment project areas in order to further the redevelopment activities described in this Plan.

G. Nature and Term of Obligations to be Issued

The City may issue obligations secured by the Special Tax Allocation Fund established for the Redevelopment Plan and Project Area pursuant to the Act or such other funds as are available to the City by virtue of its home rule powers pursuant to the Illinois State Constitution.

Any and/or all obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years after the year of adoption of the ordinance approving the Redevelopment Project Area. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year, may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

Those revenues not required for principal and interest payments, for required reserves, for bond sinking funds, for redevelopment project costs, for early retirement of outstanding securities, and to facilitate the economical issuance of additional bonds necessary to accomplish the Redevelopment Plan and Project, may be declared surplus and shall then become available for distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Such securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions, and on such other terms, all as the City may determine.

H. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area

The most recent estimate of equalized assessed valuation (EAV) for tax year 2021 of the property within the RPA is approximately \$3,440,470.¹

I. Anticipated Equalized Assessed Valuation (EAV)

Upon completion of the anticipated private development of the RPA over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the RPA will be within a range of approximately \$50,000,000 to \$75,000,000.

¹ Pending verification from the Kane County Assessor's Divisions Department.

VIII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

A. Redevelopment Project

An implementation strategy will be employed with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing and other necessary approvals for appropriate projects. Depending upon the scope of the development as well as the actual uses, the following activities may be included in each phase:

Land Assembly: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site.

Demolition and Site Preparation: The existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain structures and grading of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements necessary to prepare the site for desired redevelopment projects.

Rehabilitation: The City may assist in the rehabilitation of private or public facilities, buildings or site improvements located within the RPA.

Landscaping/Buffering/Streetscaping: The City may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.

Water, Sanitary Sewer, Storm Sewer, Electric and Other Utility Improvements: Certain public and private utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The provision of necessary detention or retention ponds may also be undertaken by the City. Public and private utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.

Public Infrastructure/Facility Improvements: Widening of existing road improvements and/or vacation of roads may be undertaken by the City. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Public facilities including parking may be constructed that would be available to the general public.

Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.

Public Safety Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.

Interest Costs Coverage: The City may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as permitted by the Act.

Professional Services: The City may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The City may reimburse itself from annual tax increment revenue if available.

Tuition Payments to School and Library Districts: The City may fund payments to the school district pursuant to the provisions of the Act.

B. Commitment to Fair Employment Practices and Affirmative Action

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

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

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

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

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment costs

This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) calendar years after the year of adoption of an ordinance designating the RPA. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year of the initial adoption of the ordinance approving the RPA.

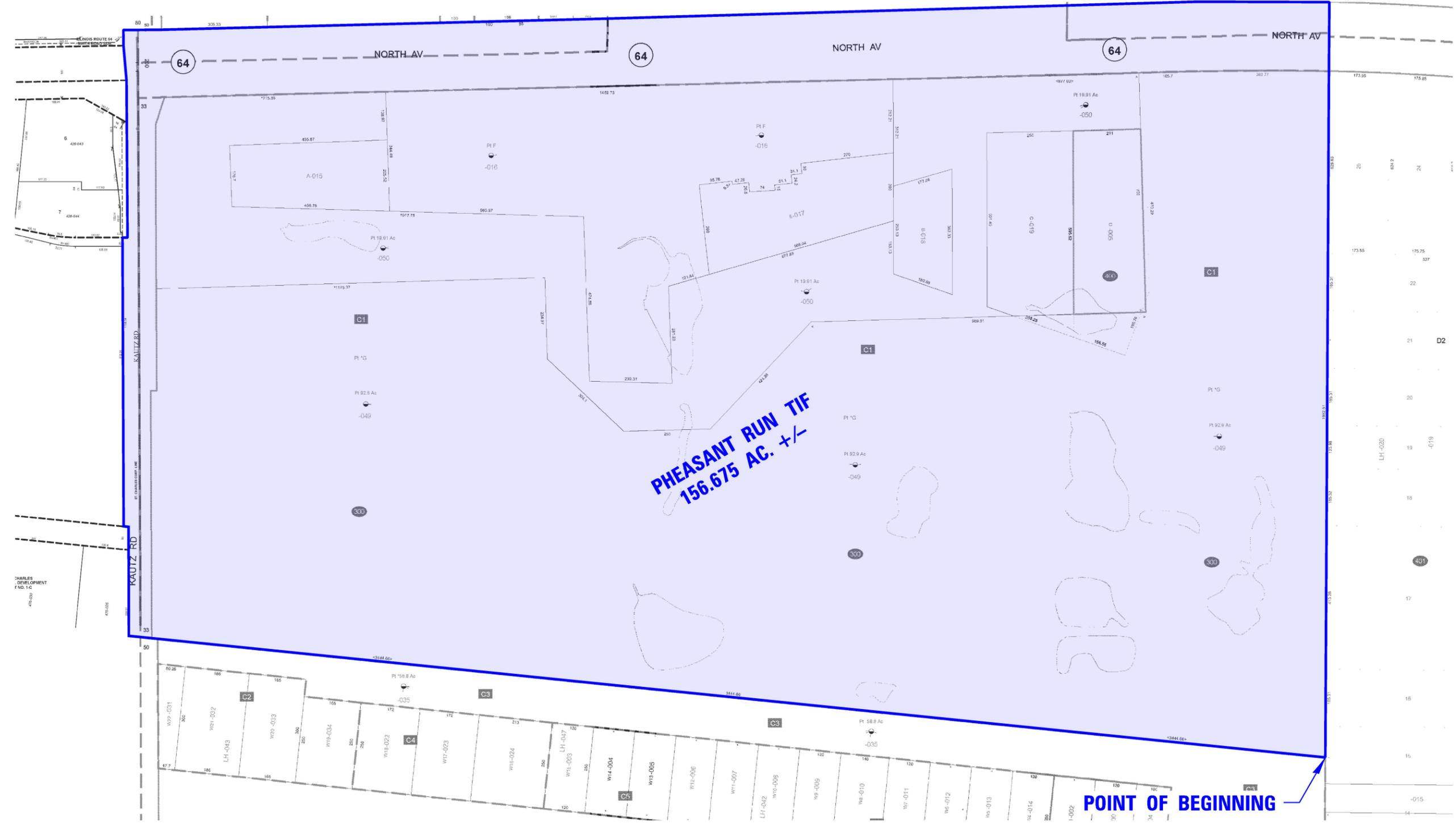
IX. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT

This Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

EXHIBIT A
BOUNDARY MAP



0 300
SCALE IN FEET



CHRISTOPHER B. BURKE
ENGINEERING, LTD.
9575 West Higgins Road
Suite 600, Rosemont, Illinois 60018
(847) 823-0500

PHEASANT RUN TIF
IN
CITY OF ST. CHARLES, ILLINOIS
PREPARED FOR
KANE, MCKENNA AND ASSOCIATES, INC.

CALC.	JRM	PROJECT NO.
DWN.	AJK	220195
CHKD.	KJR	SHEET 1 OF 1
SCALE:	1" = 300'	DRAWING NO.
DATE:	03-25-2022	TIF220195

S:\STCHARLES\220195\SURVEY\TIF220195A.SUR

EXHIBIT B
LEGAL DESCRIPTION

LEGAL DESCRIPTION (Pheasant Run TIF – St. Charles)

THAT PART OF THE EAST HALF OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN IN KANE COUNTY, ILLINOIS ALONG WITH THAT PART OF SECTION 30, TOWNSHIP 40 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN IN DUPAGE COUNTY, ILLINOIS BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF PHEASANT RUN RESORT ASSESSMENT PLAT #2, AS RECORDED APRIL 6, 2021 AS DOCUMENT NO. R2021-054229;

THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2 AND THE WESTERLY EXTENSION THEREOF TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF KAUTZ ROAD;

THENCE NORTHERLY ALONG SAID WEST RIGHT-OF-WAY LINE OF KAUTZ ROAD AND THE NORTHERLY EXTENSION THEREOF TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF ILLINOIS ROUTE 64 (AKA MAIN STREET);

THENCE EAST ALONG SAID NORTH RIGHT-OF-WAY LINE OF ILLINOIS ROUTE 64 (AKA MAIN STREET) TO A POINT OF INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EASTERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2;

THENCE SOUTHERLY ALONG SAID NORTHERLY EXTENSION AND THE EASTERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2 TO THE POINT OF BEGINNING.

EXHIBIT C
TIF QUALIFICATION REPORT

**CITY OF ST. CHARLES, ILLINOIS
PHEASANT RUN TIF QUALIFICATION REPORT
REDEVELOPMENT PROJECT AREA**

A preliminary analysis to assess the likelihood that all or a portion of an area located in the City of St. Charles could qualify as a “blighted improved area” as defined in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended.

Prepared for: City of St. Charles, Illinois

Prepared by: Kane, McKenna and Associates, Inc.



February 2023

**PROPOSED PHEASANT RUN
REDEVELOPMENT PROJECT AREA
TIF QUALIFICATION REPORT**

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EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (KMA) has been retained by the City of St. Charles, Illinois (the “City”) to conduct an analysis of the potential qualification and designation of certain property located in the City, to be addressed herein as the proposed Redevelopment Project Area (the “RPA” or “Study Area”) and included in the map attached as Exhibit A. Essentially the Study Area includes the former Pheasant Run Resort and Golf Course properties generally bordered by Main Street (Route 64) to the north, Kautz Road to the west, Keil Road to the east, and Tower Road to the south. The qualification review is being carried out pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended (the “TIF Act”).

The City is pursuing the Study Area designation as part of its ongoing review of the former, vacant, and now partially destroyed (by fire) Pheasant Run Resort and Golf Course, in order to assist in the redevelopment of the Study Area. By undertaking the designation, the City will help restore the Study Area as a significant contributor to the City’s overall economic base.

Based upon the analysis completed to date, KMA has reached the following conclusions regarding the qualification of the Study Area as a TIF District:

- 1) *Improved land within the proposed TIF District qualifies as a blighted-improved area under the Act.* Overall, all land within the proposed TIF District is found to be “improved” pursuant to the Act and to be in a “blighted condition” as defined in the Act that prevents, or threatens to prevent, the economic and physical development of properties in a manner that the community deems essential to its overall economic health.

- 2) *The blighting conditions found within the proposed TIF District present impediments to the area’s successful redevelopment.* The blighting factors negatively impact coordinated and substantial private sector investment in the proposed TIF District. Without Village planning and use of economic development resources to eliminate such factors, potential redevelopment projects, along with other activities that require private sector investment, would not be economically feasible.

- 3) *The redevelopment of the proposed TIF District will provide the potential to produce incremental property tax revenue.* Said revenue, if used in combination with public resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the TIF district.

- 4) *Formal designation is recommended.* To eliminate the existing blighting conditions, to promote the economic viability of the proposed TIF District, and to foster private sector investment and redevelopment, KMA recommends that the Village proceed with the formal TIF designation process.

Because the City will not consider the redevelopment of residential parcels that would dislocate ten (10) or more residential units within the proposed TIF District, the City will not conduct a housing impact study pursuant to the TIF Act.

I. INTRODUCTION AND BACKGROUND

Current Land Use. The Study Area is generally bounded by Main Street (Route 64) to the north, Kautz Road to the west, Keil Road to the east, and Tower Road to the south. The uses consist primarily of the former, and now partially destroyed, Pheasant Run Resort/Convention Center and Golf Course, which served as an iconic suburban entertainment destination for decades that helped put St. Charles on the map. Pheasant Run had been woven into the fabric of St. Charles’s identity since 1956, as it drew vacationers and business professionals from across the Chicago area and beyond for decades. The resort and convention center brought many conferences and other large events to the City, generating significant economic activity for the City. In 2011, the resort fell into foreclosure partly due to the economic downturn. Three years later, the resort was purchased by an investment group. In 2016, the DuPage County Airport Authority filed a condemnation suit against the golf course portion of the resort to block a proposed residential development at the time, a use deemed incompatible by the Airport Authority. The resort continued to operate the golf course until the resort’s closure. Resort management later restructured its operations and cut its staff by 75% until the resort’s closure in March, 2020. Shortly thereafter, the resort was listed for sale and put up for auction, unsuccessfully. In May, 2022, a significant proportion of the resort’s buildings were completely destroyed by fire (the “Fire”) “. The cause of this Fire is still under investigation.

The Study Area consists of approximately 156 acres and, before the Fire, was improved with the nine (9) buildings which comprised the former Pheasant Run Resort and convention center and golf course. The nine (9) buildings consisted of the main resort building, built in 1963, five (5) two-story buildings containing the original guest rooms, also built in 1963, the convention center built in the early 1970s, a meeting hall (Gallery Hall) built in the 1970s, and one (1) maintenance/storage building. The golf course also contains one ancillary building consisting of likely a caddy or snack shack. The main resort building included, among others, the original lobby, a 15-story tower containing 202 guest rooms (added to the main building in 1982), the country’s very first indoor/outdoor pool, a second indoor pool and spa, seven restaurants and bars, banquet and meeting facilities, a fitness center, golf shop, comedy club, and theatre added to main building in 1985. The Fire destroyed three of the five two-story guest room buildings, the lobby, the “Bourbon Street” entertainment area, and indoor pool sections of the main resort building, leaving the rest of the main resort building, convention center, Gallery Hall, the resort tower, and the maintenance/storage building some of which incurred ancillary damage from the Fire or are severely damaged from vandalism.

General Redevelopment Objectives

The redevelopment of the proposed RPA would further the City’s overarching land use objectives, which are contained in its *City of St. Charles 2013 Comprehensive Plan* (the “2013 Plan”). In the 2013 Plan the City has articulated a number of public policy goals and objectives, and related strategies, which would be supported by the City’s adoption of the proposed RPA as a TIF District (see Table 1 below).

As part of its vision through 2028, the 2013 Plan noted the City’s intention that the Pheasant Run Resort continue as a revenue generator for the City when it said “the east side of the community

has benefitted from the redevelopment of the Charlestowne Mall, the continued presence of Pheasant Run, and the strong employment base provided by industrial development.” The 2013 Plan further states that, “Collectively, they act as an attractive ‘front door’ to St. Charles . . .”. Based on these observations in the 2013 Plan, Pheasant Run’s subsequent closure and the Fire, the impacts of which have been exacerbated by the decline of the Charlestowne Mall since the adoption of the 2013 Plan, are detrimental to the east side of the St. Charles Community. Given the gap between the City’s goals for the area and the conditions described in this report, the City has determined that the redevelopment of the proposed RPA is necessary to the community. With a redevelopment strategy in place, the economic base associated with the RPA would be restored – thereby benefiting the community as a whole. Without such a redevelopment strategy, the adverse conditions identified in this report would likely worsen.

Table 1
Redevelopment Policy Goals – St. Charles Comprehensive Plan (2013) (Excerpt)

Policy Goals	Objectives and Strategies
<ul style="list-style-type: none"> • Develop attractive and highly functional retail and commercial areas that are market responsive, create a diverse tax base, and serve the needs of the City’s residents, and in some areas, a larger regional market. • Enhance the economic viability, productivity, appearance, and function of the City’s commercial corridors, including Randall Road, Main Street, Lincoln Highway, and Kirk Road 	<ul style="list-style-type: none"> • Maintain a range of retail and service activities throughout the City. • Build upon the existing commercial zoning district structure to design and designate more specific functional roles for the various commercial areas within the City distinguished by developments with local, community, and/or regional service markets. • Continue to evaluate the costs and benefits of using incentives and other techniques to initiate redevelopment of key opportunity sites • Initiate programs to encourage the improvement and rehabilitation of older commercial buildings and areas which are, or are becoming, functionally obsolete, including improvements to infrastructure, technology, functionality, access, and operational footprints. • Promote a healthy and mutually reinforcing mix of commercial, retail, and service uses along key corridors within the City, including Randall Road, Main Street, Lincoln Highway, and Kirk Road. • Utilize a “character node” approach by requiring high quality development along Randall Road and Main Street at key intersections with other arterial or collector

<ul style="list-style-type: none"> • Continue to support a diversified light industrial/business park, commercial service economic base that provides employment opportunities within the community. • Prioritize improvements to existing areas and developments including adaptive reuse and redevelopment. 	<p>streets that serve as the “front door” into the primary commercial areas.</p> <ul style="list-style-type: none"> • Establish design and improvement standards for commercial areas to guide the scale, appearance, orientation, and overall character of new development. • Identify underperforming and underutilized parcels and sites, such as the southeast corner of Main Street and Kirk Road, and work with property owners and development to promote their redevelopment, encouraging parcel assembly where appropriate. • Promote the modernization of and/or redevelopment of the Charlestowne Mall and other outdated commercial sites. • Require all industrial development to meet specific applicable performance standards for noise, air, odor, and any other forms of environmental pollution • Utilize appropriate setbacks, screening, buffering, and site design to minimize the negative impacts of industrial uses on adjacent areas, such as noise, vibration, air pollutants, odor, truck traffic, large shadows, etc. • Build on and continue to implement the 2007 Economic Development Plan as a basis for strengthening retail, service, and industrial uses throughout St. Charles. • Where appropriate, consider using incentives such as Tax Increment Financing as a means of fostering redevelopment in Downtown, the Charlestowne Mall site, and other areas of the City identified as priority investment locations. • Renovate or redevelop aging commercial areas in order to maximize their contribution to the City’s tax base.
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Overall, the area faces a number of potential redevelopment impediments as described in Section IV of this report. Additionally, while the area has certain beneficial locational assets, the current state of the local and national economy, characteristics of parcel sizes, existing uses, and redevelopment challenges associated with older buildings and destroyed buildings contribute to constraints related to redevelopment. The City has determined that the redevelopment of the proposed Study Area would be beneficial to the community. With a redevelopment strategy in place, the economic base of the Study Area would be increased, thereby benefiting the community as a whole.

General Scope and Methodology. KMA performed its analysis by conducting a series of discussions with City staff, starting in December, 2021 and continuing periodically up to the date of this report. The purpose of the review was to gather data related to the preliminary qualification criteria for properties included in the Study Area. These discussions were complemented by a series of field surveys (pre- and post-Fire) for the entire area to evaluate the condition of the Study Area. The field surveys and data collected have been utilized to determine that the Study Area could qualify for TIF designation. The qualification factors discussed in this report would assist in the qualification of the Study Area as a blighted improved area, as the term is defined pursuant to the TIF Act. For additional information about KMA's data collection and evaluation methods, refer to Section III of this report.

II. QUALIFICATION CRITERIA

With the assistance of City staff, Kane, McKenna and Associates, Inc. assessed the proposed Study Area to determine the likelihood that qualifying factors listed in the Act would be present. The relevant provisions of the Act are cited below.

The Act sets out specific procedures which must be adhered to in designating a redevelopment project area (Study Area). By definition, a “redevelopment project area” is:

“An area designated by the municipality, which is not less in the aggregate than 1½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.”

Under the Act, “blighted area” means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where certain conditions are met, as identified below.

TIF Qualification Factors for a Blighted Improved Area. In accordance with the TIF Act, KMA assessed the following factors to determine TIF qualification for the proposed RPA characterized as blighted-improved. Per the statute, such an area meets state standards provided that:

If *improved*, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of five (5) or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area:

(A) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required, or the defects are so serious and so extensive that the buildings must be removed.

(B) Obsolescence. The condition or process of falling into disuse. Structures become ill-suited for the original use.

(C) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas evidence deterioration, including, but limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

(D) Presence of Structures Below Minimum Code Standards. All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.

(E) Illegal Use of Individual Structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive Vacancies. The presence of buildings that are unoccupied or underutilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

(G) Lack of Ventilation, Light, or Sanitary Facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(H) Inadequate Utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the Redevelopment Project Area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the Redevelopment Project Area.

(I) Excessive Land Coverage and Overcrowding of Structures and Community Facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading service.

(J) Deleterious Land-Use or Layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive or unsuitable for the surrounding area.

(K) Environmental Clean-Up. The proposed Redevelopment Project Area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for (or a study conducted by an independent consultant

recognized as having expertise in environmental remediation has determined a need for) the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law. Any such remediation costs would constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.

(L) Lack of Community Planning. The proposed Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning.

(M) Lagging EAV. The total equalized assessed value (EAV) of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.

III. EVALUATION METHODOLOGY

In evaluating the proposed Study Area's potential qualification as a TIF District, the following methodology was utilized:

- 1) Site surveys of the Study Area were undertaken by representatives from Kane, McKenna and Associates, Inc., supplemented with photographic analysis of the sites. Preliminary surveys were completed of properties located within the Study Area.
- 2) KMA conducted evaluations of exterior structures and associated site improvements, noting such conditions as dilapidation and obsolescence. Additionally, KMA reviewed the following data: 2015-2021 tax information from DuPage County, Wayne Township Assessor, tax maps, aerial photos, site data, local history (including discussions with City staff), and an evaluation of area-wide factors that have affected the area's development (e.g., obsolescence, deleterious land-use and layout, etc.).
- 3) KMA also obtained documentation and data from the City regarding building and site conditions within the Study Area, including code violations data.
- 4) Existing structures and site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, TIF Act factors applicable to specific structures and site conditions of the parcels.
- 5) The Study Area was examined to assess the applicability of the different factors required for qualification as a TIF District. Examination was made by reviewing the information and determining how each measured when evaluated against the relevant factors. The Study Area was evaluated to determine the applicability of the thirteen (13) different factors, as defined under the Act, which would qualify the area as a TIF District.

IV. QUALIFICATION FINDINGS FOR PROPOSED STUDY AREA

Based upon KMA’s evaluation of parcels in the proposed Study Area and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support preliminary qualification of the proposed Study Area as a blighted area under the TIF Act – to be supplemented by additional data, if the City decides to proceed with the designation. These factors are summarized in the table below.

Exhibit 1
Summary of TIF-Qualifying Factors

Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in Proposed Study Area
13	3	9 <ul style="list-style-type: none"> • Lag in EAV • Obsolescence • Deterioration • Dilapidation • Excessive Vacancies • Code Violations • Inadequate Utilities • Deleterious Land Use • Lack of Ventilation, Light, or Sanitary Facilities

Findings for Study Area. The proposed Study Area meets the qualifications for a “blighted improved” area under the statutory criteria set forth in the TIF Act. KMA reviewed the 13 aforementioned criteria needed to qualify the area as a blighted improved area, determining that nine (9) factors were present:

1. Lagging or Declining EAV. The Act states that if the total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than either the balance of the municipality for three (3) of the last five (5) calendar years or the annual Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years. The finding is based on the last five (5) tax years for which information is available. The EAV of the Study Area has lagged behind the balance of the City’s EAV for three (3) of the last five (5) years. Therefore, a finding of declining or lagging EAV is made pursuant to the TIF Act.

Exhibit 2
EAV Trends for Proposed Study Area

	2021	2020	2019	2018	2017	2016
Total EAV for TIF District	3,440,470	3,142,400	5,197,610	5,026,160	5,045,910	4,474,490
EAV Change (%)	9.49%	-39.54%	3.41%	-0.57%	12.97%	5.75%
City-wide EAV (Excluding TIF)	1,607,875,299	1,577,108,442	1,540,036,585	1,483,332,684	1,424,433,052	1,370,503,442
City EAV Change (%)	2.15%	2.81%	3.82%	4.15%	3.91%	3.32%
CPI	7.0%	1.20%	1.80%	2.40%	1.30%	0.10%

Source: DuPage County and Kane County Clerks, Wayne Township Assessor, and U.S. Bureau of Labor Statistics

2. Obsolescence – The Study Area includes both functional and economic obsolescence. Obsolescence is defined as the condition or process of falling into disuse. Structures have become ill suited for the original use.

The Study Area consists primarily of the Pheasant Run Resort property and golf course which was opened in 1963 as an entertainment resort for leisure and business guests to conveniently unwind in a quiet rural setting just a short distance from Chicago. Since that time, the market appeal of Pheasant Run slowly declined over the years, as its rural ambiance had given way to surrounding shopping malls, subdivisions, and heavy traffic on nearby roads. The property went into bank foreclosure for five years, during which time the property’s operations suffered, despite a \$24 million renovation to the tower guest rooms, theatre, and expo center. In addition, the reduced market appeal of the golf industry nationally, along with the acquisition of the golf course by the DuPage County Airport in 2016 also contributed to the Study Area’s loss in market position. The resort property eventually closed in 2020 and has remained closed since, and the golf course has been sold for an alternate use. Even prior to the Fire, destruction of a significant portion of the building improvements, the Study Area no longer met today’s modern market demands for hotels, resorts, or conference centers. The remaining structures have been severely damaged by chronic vandalism, requiring the City, at one point, to install temporary police security 24 hours per, day seven days per week.

Functional obsolescence is present due to age, physical condition (including partial destruction by the Fire), poor layout and building orientation that makes them unsalvageable for rehabilitation. The main building at Pheasant Run is 59 years old and is severely damaged partially by the Fire and partially by vandalism, and the “patchwork” nature of additions made over the last 59 years had resulted in awkward and uninviting experiences for guests. Before the Fire, guest room wing buildings were also 59 years old, obsolete, did not have elevators, and had fire sprinkler systems dating back to 1963. Two of the five guest room wings had been permanently closed due to defective fire sprinkler systems while the resort was still open. Gallery Hall and the storage/maintenance building were and remain in poor condition and Gallery Hall had been kept

closed prior to the closure of the resort, except for one specific meeting event each year, because half of the HVAC system was not functional, and it had no sprinkler system. The 16-story guest tower is 40 years old and was in need of complete renovation to bring it up to today's hotel standards and has been severely damaged by chronic vandalism.

3. Deterioration of Buildings and Site Improvements – With respect to buildings, defects include, but are not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, downspouts, and fascia. With respect to surface improvements, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas exhibit deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

Prior to the closure of the resort buildings, the buildings suffered from significant deferred maintenance/replacement, which resulted in major defects in secondary building components. These conditions had worsened since that time, and have now been significantly exacerbated by the Fire, broken window seals and deteriorating windowsills were found throughout the common areas, such as at the indoor pools, as well as in guest rooms, resulting in building up of excessive condensation. Ceiling damage from roof leaks were found throughout the buildings, along with drywall damage either from water penetration caused by defective sprinkler heads, or wear and tear. Wall coverings were torn, frayed, or scratched at various locations in the buildings. Broken terra cotta kitchen floor tiles had been replaced with floor patch material. Pool deck stone tiles had been haphazardly re-patched where grout had failed, and the outdoor pool deck had shown signs of settlement and uneven tile paving. The hardwood flooring in the Terrace Café had been severely worn, stained and discolored. Most of the wall-to-wall carpeting throughout the buildings had either been worn, frayed, wrinkled from stretching, or dated. Some Herculite door frames had been corroded, and wood veneer guest room doors had been delaminating. The pool mechanical systems had been outdated and were in need of replacement.

At building exteriors throughout the RPA, window openings buildings had been and remain boarded up partly due to chronic vandalism. Exterior masonry at certain buildings needed tuckpointing. Fascia and soffit, along with gutters and downspouts, exhibited peeling and faded paint, and exterior metal flashings were deteriorated and rusted. The front face of the monument sign at the main entrance to the property was rusted and discolored and faded, with prior repairs to the concrete base obvious to any observer.

Deterioration of the surface improvements was and remains widespread among all of the various parking lots, and storage areas. Nearly all of the asphalt paving exhibits surface cracking and crumbling, and loose paving material. Weeds protruding through the paving can be seen in various locations. Parking space striping is either cracked, corroded or faded throughout all of the parking lots. Some curbs are crumbling, and caution paint on curbs is also cracked and faded. Exterior wood fencing is falling apart or discolored at some locations.

Deterioration of site improvements is also found at the golf course. Since the golf course was closed in 2020, it has not been maintained. Accordingly, all of the greens, fairways, and other vegetation are overgrown, weed growth is extensive, and the paved golf cart roads are deteriorated with weed growth in them.

4. Dilapidation – An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

The recent Fire destroyed a significant portion of the improvements in the Study Area. Prior to the Fire, some of the structural components of some of the Pheasant Run Resort buildings were already in an advanced state of disrepair and neglect, requiring major repair or building removal. As an example, the roof of one of the west storage/maintenance building was previously partially collapsed. Two of the guest room wings buildings had been shut down before the resort was permanently closed because the water system had been shut off since various sprinkler shut off valves were rusted, making it impossible to shut off the sprinklers when they were activated. Except for one limited use, the Gallery Building had also been shut down before the resort was permanently closed because half of the HVAC system was no longer working and it had no sprinkler system at all.

Following the closure of the resort properties in May 2020 and prior to the Fire, deterioration throughout the RPA accelerated. For example, the canopy/porte cochere at the main entrance had collapsed in a heavy rainfall, damaging the front entrance of the building. The collapsed canopy was demolished in August 2020. In addition, in the Fall of 2020, Nicor gas had shut off its gas service to the property due to gas leaks within the building, making the fire suppression system unusable in freezing weather. This resulted in the City's imposition on the owners of a requirement for 24/7 fire watch. In addition, deterioration within the resort complex had led to the electric service through the site being shut off due to safety issues as portions of the system were no longer safe to energize. In January 2021, the City's building and code enforcement department had posted a notice that the building is unsafe for occupancy. In January 2022, windows in the tower building were boarded up due to windows broken by vandalism. The vandalism to the windows has continued.

All of the above issues are identified in a report prepared by the City of St. Charles and provided to KMA on March 25, 2022.

5. Excessive Vacancies - There is a presence of buildings that are unoccupied or under-utilized that represents an adverse influence on the area because of the frequency, extent or duration of the vacancies.

The Pheasant Run Resort and golf course are both permanently closed, and most of the resort recently destroyed by the Fire. Prior to its permanent closure, the Pheasant Run Resort had been operating at occupancy rates well below industry standards for success for several years. This was partly due to the fact that all corporate bookings had been lost for several years, because of the resort's declining buildings' and grounds' physical condition and obsolescence. In addition, the resort bookings associated with the golf course had also declined, since the golf course lost much of its market appeal, especially for dedicated golfers who had better options elsewhere.

Wedding bookings had also fallen below industry standards for resorts like this, again, due to the deteriorating conditions of the property. Also contributing to low occupancy rates was the permanent closure of two of the two-story guest wings. The resort had originally operated with 474 guest rooms, and now none are in operation, and most are destroyed. Prior to the resort's permanent closure, the resort's four restaurants had been open only sporadically throughout the year, depending on room occupancy and utilization.

6. Presence of Structures Below Minimum Code Standards. All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.

A significant portion of the structures within the Study Area has been destroyed by the Fire. Prior to that time, in May, 2020, the City's Building and Code Enforcement Division had found numerous violations including, but not limited to:

- Front canopy partially collapsed due to roof leaks which led to rotting wood trusses.
- Possible structural deficiencies with the roof due to extensive water damage and leaks over the kitchen.
- Multiple holes in the roof in the kitchen and pool area, actively leaking during rain events.
- Due to the roof leaks there are multiple areas of standing water on the floor.
- Underside of metal roof in kitchen showing signs of rust and possible structural issues.
- Entire facility has electrical issues from open boxes with wiring hanging out and outlets missing cover plates.
- Pump in main lodge does operate but the electrical feed is not correct. Ownership stated this would not be repaired due to cost.
- Fire alarm is operational but has multiple trouble alarms for smoke detectors, fire pump, sprinkler system flow switch.
- Fire alarm panel does not send notification to Tri-Comm to provide alert of fire alarm activation.
- Some doors do not allow Fire Department access because they are chained and padlocked. Fire Department is working with maintenance to address this issue.
- A fire watch advised by the Fire Department due to fire alarm issue.

Since May 2020, the City has continued to monitor the conditions of the buildings in the Study Area. As described previously, in the Fall of 2020, Nicor had shut off its gas service to the property due to gas leaks within the building, making the fire suppression system unusable in freezing weather. This resulted in the City's imposition on the owners of a requirement for 24/7 fire watch. In addition, deterioration within the resort complex had led to the electric service through the site being shut off due to safety issues as portions of the system were no longer safe to energize. In January 2021, the City's building and code enforcement department posted a notice that the building is unsafe for occupancy. In January 2022, windows in the tower building were boarded

up due to windows broken by vandalism. According to the City, this vandalism to the windows has continued.

7. Inadequate Utilities - Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the Redevelopment Project Area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the Redevelopment Project Area.

The Pheasant Run Resort property's underground utilities are either deteriorated, antiquated, obsolete, insufficient, or in disrepair based on prior reports by management when the resort was still open. In addition, the RPA is located at the far east end of the City's utility systems and modernizing these services will require significant extension of main lines and all utilities to service the property. Compounding these conditions is the fact that the Study Area is served by its own private utility systems which is not sized for sufficient capacity to serve redevelopment of the Study Area.

Water Service

No public water infrastructure exists for the Study Area. The water supply for the former Pheasant Run resort and golf course came from three original proprietary on-site deep-water wells. One of those wells was dedicated to the golf course. Of the remaining two, according to former management, one had failed, so that only one well eventually served the entire resort. Offsite public water service will need to be extended and improved comprehensively as the site is redeveloped. Specifically, water main will need to be extended into the property and looped to provide adequate water pressure for the Study Area. This existing water main infrastructure on the west side of Kautz Road will need to be upgraded to a high capacity main (from a 12" to a 16" main) to feed the main distribution points into the Study Area.

Sanitary Sewer

No public sanitary sewer infrastructure exists for the Study Area. A private sanitary sewer lift station system previously served the Study Area. According to City officials, this system is deteriorated, and the lift station does not appear to be in working order. Public sanitary sewer service exists offsite and will need to be extended and improved comprehensively as the site is redeveloped. Specifically, due to the topography of the Study Area relative to the depth of the public sewer on Kautz Road, sanitary sewer lift stations will be necessary to provide sewer service to the Study Area. The Study Area is served by the City's main Fox River Treatment plant. Trunk sewer mains serving the far east side of St. Charles, which extend east to Kautz Road and then north along Kautz, along the frontage of the property, are undersized to accommodate future development in the area and require replacement with larger mains. Some of this additional capacity is needed to serve the Study Area.

Storm Sewer

There is no stormwater management system specifically designed for the Study Area. Rather, the pond system that exists through the golf course has been adapted to provide drainage and some volume to store stormwater that enters the system. This system does not meet current standards for

design and would need to be reengineered and or replaced upon any redevelopment of the property, since the topography of the golf course will no longer be able to be relied upon to control storm water. In addition, the resort's storm water management system is connected to the now abandoned outdoor pool, which is an outmoded method for managing storm water.

Electrical Service

The City of St. Charles has its own municipal electric utility that is the exclusive service provider within its corporate limits. City codes and policies require that all costs to provide service to a property are the responsibility of the customer, to be paid upfront, including costs to design and install the service up to where the service is connected to a building. For larger development projects, this includes network extensions to provide service to an area or subdivision or to complete a loop to connect two locations for redundant service, such as for the redevelopment of the Study Area. As a municipal utility, the City is not able to share costs or defer costs based on future customer usage.

The electric system that had served the RPA is antiquated. The properties are served from a single feed at the corner of Kautz & Rt. 64, and power is fed through the site through a system of private infrastructure. While the City has limited information about how this private infrastructure was designed or maintained, its age/condition is similar to the Pheasant Run resort buildings. Deterioration within the resort complex had recently led to the electric service through the site being shut off as safety issues and portions of the system are no longer safe to energize. Eventual redevelopment of the Study Area will require a significant service size increase due to the high electric demands associated with any future development. Because the site has existed as golf course, no new system capacity has been planned or allocated for the development of the Study Area. This substantial upgrade to provide service to the RPA is an extraordinary cost for any development project. Without this service upgrade, the site cannot be redeveloped. In order to extend an adequately sized service to the Study Area, new, large capacity cables will need to be extended from two different off-site substations.

8. Deleterious Land-Use or Layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive or unsuitable for the surrounding area.

The recent destruction of a significant portion of the Study Area by the Fire, and the resulting debris which remains in place, as well as the chronic vandalism that preceded the Fire and continues to occur makes the Study Area noxious, offensive and unsuitable for the surrounding area. In addition, the absence of maintenance of the golf course grounds since its closure also contributes to the Study Area's deleterious land use.

9. Lack of Ventilation, Light, or Sanitary Facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the

absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

The recent destruction of a significant portion of the Study Area by the Fire, and the resulting debris which remains in place, as well as the chronic vandalism that preceded the Fire and continues to occur has created an absence of adequate ventilation for light or air circulation and requires the removal of all of the debris related to the Fire and vandalism. The Fire and vandalism has also created inadequate sanitary facilities including inadequate garbage storage, inadequate bathroom facilities, inadequate hot water, and structural inadequacies that prevent ingress and egress to and from all rooms and units within the buildings.

V. SUMMARY OF FINDINGS; GENERAL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to the City's potential designation of the proposed TIF District.

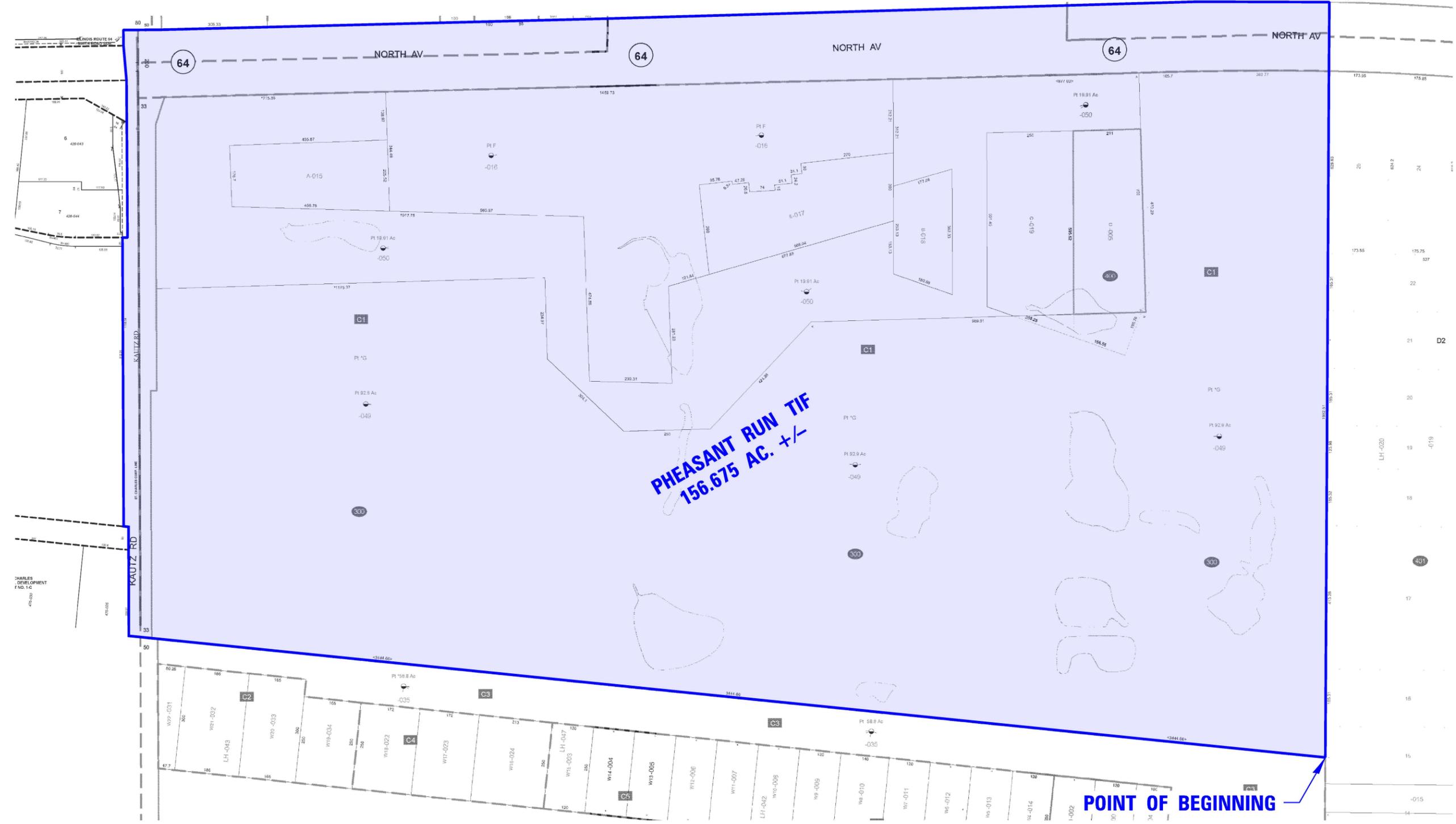
1. The area is contiguous and is greater than 1½ acres in size;
2. The proposed TIF District will qualify as a Blighted Improved Area. Further, the Blighted Improved Area factors found in the RPA are present to a meaningful extent and are reasonably distributed throughout the area. A more detailed analysis of the qualification findings is outlined in Section IV. of this report;
3. All property in the area would substantially benefit by the proposed redevelopment project improvements;
4. The sound growth of taxing districts applicable to the area, including the City, has been impaired by the factors found present in the area; and
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

In the judgment of KMA, these findings provide the City with sufficient justification to consider designation of the property as a TIF District.

Exhibit A
Boundary Map



0 300
SCALE IN FEET



PHEASANT RUN TIF
156.675 AC. +/-

POINT OF BEGINNING



CHRISTOPHER B. BURKE
ENGINEERING, LTD.
9575 West Higgins Road
Suite 600, Rosemont, Illinois 60018
(847) 823-0500

PHEASANT RUN TIF
IN
CITY OF ST. CHARLES, ILLINOIS
PREPARED FOR
KANE, MCKENNA AND ASSOCIATES, INC.

CALC.	JRM	PROJECT NO.
DWN.	AJK	220195
CHKD.	KJR	SHEET 1 OF 1
SCALE:	1" = 300'	DRAWING NO.
DATE:	03-25-2022	TIF220195

S:\STCHARLES\220195\SURVEY\TIF220195A.SUR

Exhibit B

Tax Parcel List

**PHEASANT RUN TIX INCREMENT FINANCING DISTRICT
TAX PARCELS**

01-30-300-015

01-30-300-016

01-30-300-017

01-30-300-018

01-30-300-019

01-30-300-048

01-30-300-049

01-30-300-050

01-30-300-051

01-30-300-052

01-30-300-053

01-30-300-055

01-30-300-056

01-30-400-005

EXHIBIT D
EXISTING LAND USE MAP

Current Land Use Map



**City of St. Charles Municipal Codebook
Section : 17.16.010 - Regional Business**

The purpose of the BR Regional Business District is to provide locations along Strategic Regional Arterial corridors for shopping centers and business uses that draw patrons from St. Charles, surrounding communities and the broader region. The BR District consists primarily of large-scale development that has the potential to generate significant automobile traffic. It should be designed in a coordinated manner with an interconnected street network that is consistent with the City's Comprehensive Plan. Uncoordinated, piecemeal development of small parcels that do not fit into a larger context are discouraged in the BR District. Compatible land uses, access, traffic circulation, stormwater management and natural features, all should be integrated into an overall development plan. Because this district is primarily at highvisibility locations, quality building architecture, landscaping and other site improvements are required to ensure superior aesthetic and functional quality.

City of St. Charles Municipal Codebook - Section : 17.16.010 - Limited Manufacturing

The purpose of the M-2 Limited Manufacturing District is to accommodate a wide range of manufacturing, assembly, processing, warehousing and office/research activities, both as individual users and in a business park setting. New development and redevelopment in this District shall focus on providing sufficient setbacks, and adequate landscaping and buffering from adjacent nonindustrial uses and public rights-of-way. Outdoor storage and loading, and other outdoor activities, shall be adequately screened.



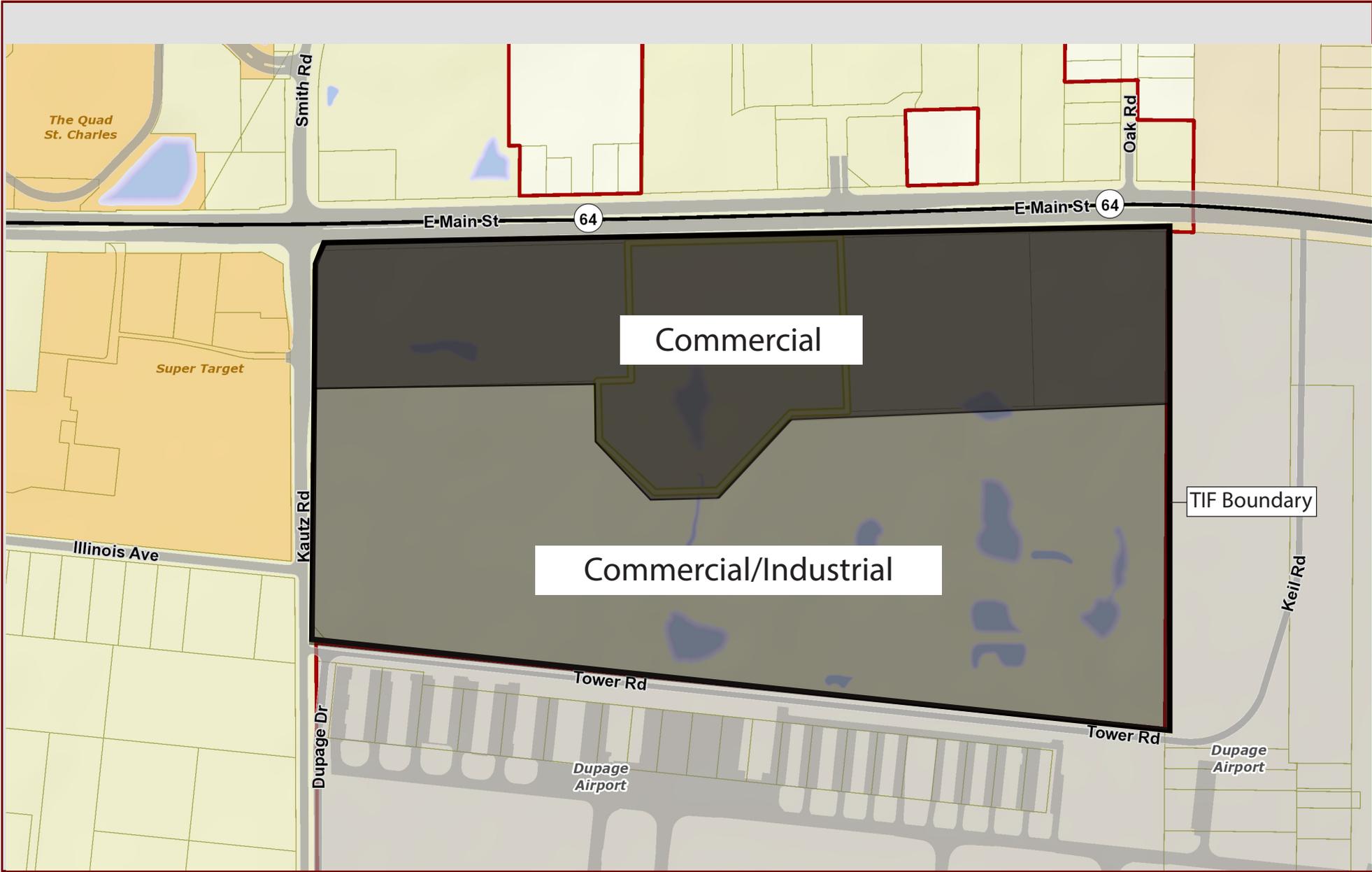
Data Source:
City of St. Charles, Illinois
Kane County, Illinois
DuPage County, Illinois
Projection: Transverse Mercator
Coordinate System: Illinois State Plane East
North American Datum 1983
Printed on: August 24, 2022 08:18 AM



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EXHIBIT E
FUTURE LAND USE MAP

Future Land Use Map



Data Source:
City of St. Charles, Illinois
Kane County, Illinois
DuPage County, Illinois
Projection: Transverse Mercator
Coordinate System: Illinois State Plane East
North American Datum 1983
Printed on: August 24, 2022 08:18 AM



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Notice of Public Hearing

CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS PHEASANT RUN TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA

Notice is hereby given that on January 3, 2023 at 7:00 p.m. at the St. Charles City Hall, Two East Main Street, St. Charles Illinois, a public hearing will be held to consider the approval of a redevelopment plan (“Redevelopment Plan”) and project (“Project”), for the designation of a redevelopment project area (“Redevelopment Project Area”) to be known as the "Pheasant Run Tax Increment Financing Redevelopment Project Area,” and the adoption of tax increment allocation financing therefore. The Redevelopment Project Area consists of the territory legally described as follows:

THAT PART OF THE EAST HALF OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN IN KANE COUNTY, ILLINOIS ALONG WITH THAT PART OF SECTION 30, TOWNSHIP 40 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN IN DUPAGE COUNTY, ILLINOIS BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF PHEASANT RUN RESORT ASSESSMENT PLAT #2, AS RECORDED APRIL 6, 2021 AS DOCUMENT NO. R2021-054229;

THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2 AND THE WESTERLY EXTENSION THEREOF TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF KAUTZ ROAD;

THENCE NORTHERLY ALONG SAID WEST RIGHT-OF-WAY LINE OF KAUTZ ROAD AND THE NORTHERLY EXTENSION THEREOF TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF ILLINOIS ROUTE 64 (AKA MAIN STREET);

THENCE EAST ALONG SAID NORTH RIGHT-OF-WAY LINE OF ILLINOIS ROUTE 64 (AKA MAIN STREET) TO A POINT OF INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EASTERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2;

THENCE SOUTHERLY ALONG SAID NORTHERLY EXTENSION AND THE EASTERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2 TO THE POINT OF BEGINNING

The Redevelopment Project Area is generally described as the former Pheasant Run Resort and Golf Course properties located along the south side of Main Street (a/k/a North Avenue/Illinois Route No. 64) between Keil Road to the east and Kautz Road to the west.

There will be considered at the public hearing the Redevelopment Plan and Project for the Redevelopment Project Area, the designation of the Redevelopment Project Area and the adoption of tax increment allocation therefore. The Redevelopment Plan and Project as proposed is on file and available for public inspection at the office of the City Clerk, Two East Main Street, St. Charles, Illinois. The proposed Redevelopment Plan and Project includes the acquisition and conveyance of land in the Redevelopment Project Area, demolition, clearance

and related site preparation activities, the construction, acquisition and installation of certain public works and improvements, if any, including, but not limited to, streets, storm sewers, water mains, sanitary sewers, electric, traffic signalization, curbs, gutters, landscaping and parking facilities and related costs and expenses, all as provided in the Tax Increment Allocation Redevelopment Act, as supplemented and amended.

Prior to the date of the public hearing, each taxing district having property in the Redevelopment Project Area and the Illinois Department of Commerce and Economic Opportunity (f/k/a Illinois Department of Commerce and Community Affairs) may submit written comments to the City, to the attention of the City Clerk, Two East Main Street, St. Charles, Illinois, 60174.

There is hereby convened a joint review board to consider the proposed approval of the Redevelopment Plan and Project, designation of the Redevelopment Project Area and adoption of tax increment allocation financing therefor. The joint review board shall consist of a representative selected by each community college district; local elementary school district and high school district or each local community unit school district; park district; library district; township; fire protection district; and county that has authority to directly levy taxes on the property within the Redevelopment Project Area; a representative selected by the City; and a public member selected in accordance with the Act. The first meeting of said joint review board shall be held at 2:00 p.m. on the 1st day of December, 2022, at the St. Charles City Hall, Two East Main Street, St. Charles, Illinois, 60174.

At the public hearing, all interested persons or affected taxing districts may file written objections with the City Clerk and may be heard orally with respect to any issues regarding the approval of the Redevelopment Plan and Project, the designation of the Redevelopment Project Area, and the adoption of tax increment allocation financing therefor. The hearing may be adjourned by the Mayor and City Council or continued without further notice other than a motion to be entered upon the minutes of the hearing fixing the time and place of the subsequent hearing.

/s/ Nancy Garrison
City Clerk
City of St. Charles

City of St. Charles, Illinois
Ordinance No. _____

**AN ORDINANCE OF THE CITY OF ST. CHARLES, KANE AND
DUPAGE COUNTIES, ILLINOIS, APPROVING A TAX INCREMENT
REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT FOR
THE PHEASANT RUN REDEVELOPMENT PROJECT AREA**

**Presented & Passed by the
City Council on _____**

WHEREAS, it is desirable and in the best interest of the citizens of the City of St. Charles, Kane and DuPage Counties, Illinois (the “City”), for the City to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the “Act”), for a proposed redevelopment plan and redevelopment project (the “Plan and Project”) within the municipal boundaries of the City and within a proposed redevelopment project area (the “Area”) described in Section 1(a) of this Ordinance, which Area constitutes in the aggregate more than one and one-half acres; and

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the Mayor and City Council of the City of St. Charles (the “Corporate Authorities”) called and conducted a public hearing relative to the Plan and Project and the designation of the Area as a redevelopment project area under the Act for January 3, 2023; and

WHEREAS, due notice with respect to such hearing was given pursuant to Section 11-74.4-5 of the Act, said notice being given to taxing districts and to the Illinois Department of Commerce and Economic Opportunity (f.k.a. Department of Commerce and Community Affairs of the State of Illinois) by certified mail on November 15, 2022, by publication on December 12, 2022 and December 15, 2022 and by certified mail to taxpayers within the Area on December 15, 2022; and

WHEREAS, on November 15, 2022, notice was provided by mail to all residential addresses that, after a good faith effort, the City determined were located within 750 feet of the Area; and

WHEREAS, the City did heretofore convene a Joint Review Board as required by and in all respects in compliance with the provisions of the Act; and

WHEREAS, the Joint Review Board met on December 1, 2022 to review the public record, planning documents and proposed ordinances approving the Plan and Project and consider whether the Plan and Project and Area satisfy the requirements of the Act; and

WHEREAS, on December 1, 2022, the Joint Review Board considered and approved a resolution recommending approval of the Plan and Project and the designation of the Area (the “Resolution”); and

WHEREAS, the Plan and Project set forth the factors that caused the proposed Area to qualify as a “blighted area” and the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies and are generally informed of the conditions in the proposed Area that have caused all or part of the Area to be a “blighted area” as defined in the Act; and

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

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

WHEREAS, the Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the City as a whole to determine whether the proposed Plan and Project conform to the comprehensive plan of the City.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, as follows:

Section 1. Findings. That the Corporate Authorities hereby make the following findings:

a. The Area is legally described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The general street location for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

b. Conditions exist which cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a “blighted area” as defined in the Act.

c. The proposed 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 without the adoption of the Plan.

d. The Plan and Project conform to the comprehensive plan for the development of the City as a whole.

e. As set forth in the Plan it is anticipated that construction activities of the Project will be completed within twenty-three (23) years after the Area is designated and that all obligations incurred to finance redevelopment project costs, if any, as defined in the Plan shall be retired not later than December 31 of the year in which payment to the municipal treasurer is made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which this ordinance approving the Plan and Project is adopted by the Corporate Authorities.

f. The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon that will be substantially benefited by the proposed Project improvements are included in the proposed Area.

g. The implementation of the Plan and Project will not result in the displacement of residents from 10 or more inhabited residential dwelling units.

h. The Area does not contain 75 or more inhabited residential dwelling units.

Section 2. Plan and Project Approved. That the Plan and Project, which were the subject matter of the public hearing held January 3, 2023 are hereby adopted and approved. A copy of the Plan and Project is set forth in Exhibit D attached hereto and incorporated herein as if set out in full by this reference.

Section 3. Invalidity of Any Section. That if any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Section 4. Superseder and Effective Date. All ordinances, resolutions, motions, or orders in conflict herewith shall be, and the same hereby are, repealed to the extent of such conflict, and this Ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

PRESENTED to the City Council of the City of St. Charles, Illinois, this 6th day of February, 2023.

PASSED by the City Council of the City of St. Charles, Illinois, this 6th day of February, 2023.

APPROVED by the Mayor of the City of St. Charles, Illinois, this 6th day of February, 2023.

Lora A. Vitek, Mayor

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

EXHIBIT A

Legal Description

Proposed Pheasant Run TIF District - Legal Description

THAT PART OF THE EAST HALF OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN IN KANE COUNTY, ILLINOIS ALONG WITH THAT PART OF SECTION 30, TOWNSHIP 40 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN IN DUPAGE COUNTY, ILLINOIS BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF PHEASANT RUN RESORT ASSESSMENT PLAT #2, AS RECORDED APRIL 6, 2021 AS DOCUMENT NO. R2021-054229;

THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2 AND THE WESTERLY EXTENSION THEREOF TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF KAUTZ ROAD;

THENCE NORTHERLY ALONG SAID WEST RIGHT-OF-WAY LINE OF KAUTZ ROAD AND THE NORTHERLY EXTENSION THEREOF TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF ILLINOIS ROUTE 64 (AKA MAIN STREET);

THENCE EAST ALONG SAID NORTH RIGHT-OF-WAY LINE OF ILLINOIS ROUTE 64 (AKA MAIN STREET) TO A POINT OF INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EASTERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2;

THENCE SOUTHERLY ALONG SAID NORTHERLY EXTENSION AND THE EASTERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2 TO THE POINT OF BEGINNING

EXHIBIT B

General Street Location

The Redevelopment Project Area is generally described as the former Pheasant Run Resort and Golf Course properties located along the south side of Main Street (a/k/a North Avenue/Illinois Route No. 64) between Keil Road to the east and Kautz Road to the west.

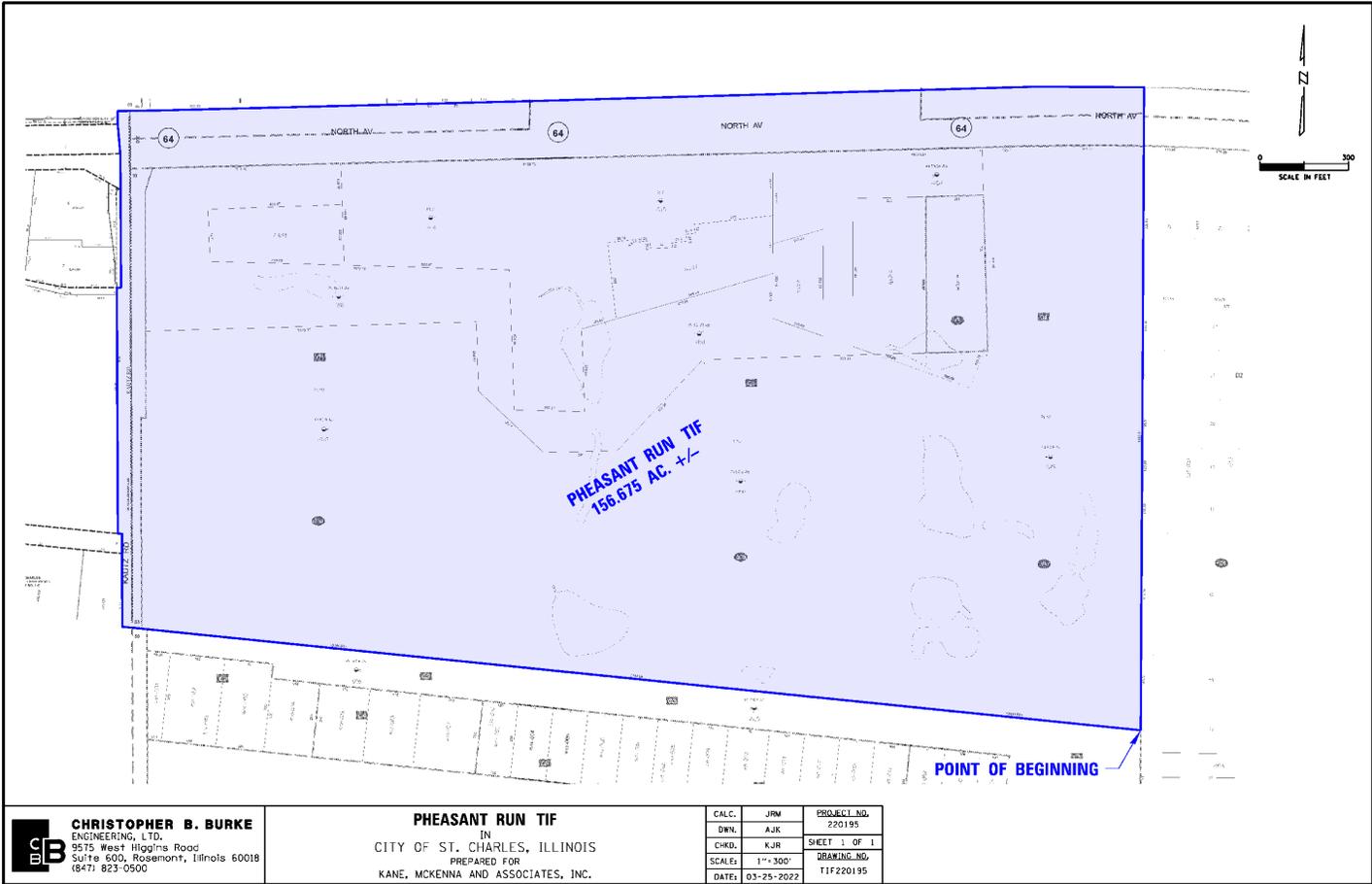


EXHIBIT C
Boundary Map

CB **CHRISTOPHER B. BURKE**
 ENGINEERING, LTD.
 9575 West Higgins Road
 Suite 600, Rosemont, Illinois 60018
 (847) 823-0500

PHEASANT RUN TIF
 IN
 CITY OF ST. CHARLES, ILLINOIS
 PREPARED FOR
 KANE, MCKENNA AND ASSOCIATES, INC.

CALC.	JRM	PROJECT NO.	220195
DRN.	AJK	SHEET	1 OF 1
CHKD.	KJR	DRAWING NO.	TIF220195
SCALE:	1"=300'		
DATE:	03-25-2022		

S:\STCHARLES\220195\SURVEY\TIF220195A.SUR

EXHIBIT D

Redevelopment Plan and Project

**CITY OF ST. CHARLES
PHEASANT RUN TAX INCREMENT FINANCING
REDEVELOPMENT PLAN AND PROJECT**

Prepared By:

Kane, McKenna and Associates, Inc.

Prepared For:

The City of St. Charles, Illinois



February 2023

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LIST OF EXHIBITS

Exhibit A	-	Boundary Map
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I. INTRODUCTION

The City of St. Charles (the “City”) is a home rule municipality located approximately thirty-five (35) miles west of Chicago and straddles both Kane and DuPage Counties. The City lies adjacent to the municipalities of Wayne to the north, West Chicago to the east, Geneva to the south, and Campton Hills to the west. St. Charles has three commercial centers and numerous residential neighborhoods surrounding them. The City is situated approximately equidistant to the major arterials I-88, I-90, and I-355, and is bisected by IL Route 64 (North Avenue/Main Street). St. Charles is located approximately 36 miles from Chicago O’Hare International Airport. The City is served by the Metra rail service station (Union Pacific West commuter line) located in neighboring Geneva.

The City was founded under the name “Charleston” in 1834 and later incorporated as “St. Charles” in 1839. The City has a population of almost 33,000 according to the Census in 2020. The City continues to focus attention on redevelopment that can maintain and increase the local tax base and non-residential revenues (including sales taxes) for the community. The City currently utilizes its Comprehensive Plan, adopted in 2013 (“Comprehensive Plan”) to guide the City’s economic development efforts. The Comprehensive Plan sets forth long-range recommendations for the future growth and development within the community and for the maintenance of and enhancement to the existing image and character of the City.

Among “Commercial and Office Area” goals within the Comprehensive Plan are: “Develop attractive and highly functional retail and commercial areas that are market responsive, create a diverse tax base, and serve the needs of the city’s residents, and in some areas, a larger regional market.”, and “Enhance the economic viability, productivity, appearance, and function of the City’s commercial corridors, including Randall Road, Main Street, Lincoln Highway, and Kirk Road. The Comprehensive Plan’s “Economic Development” goals include: “Prioritize improvements to existing areas and developments including adaptive reuse and redevelopment” Pursuant to this goal, one of its objectives is to “. . . consider using incentives such as Tax Increment Financing as a means of fostering redevelopment in Downtown, the Charlestown Mall site, and other areas of the City identified as priority investment locations.” In addition, the Comprehensive Plan’s goals include “Continue to support a diversified light industrial /business park/commercial service economic base that provides employment opportunities within the community.”

Source: Comprehensive Plan

The City intends to encourage retail, commercial, and industrial uses to locate, upgrade, or expand and/or modernize their facilities within the City as part of its ongoing economic development planning. In pursuing these uses, a necessary strategy for the City will be to eliminate certain existing adverse conditions within some portions of the community, and to find new means to preserve and strengthen the City’s tax base.

The area discussed in this Pheasant Run Redevelopment Plan and Project (the “*Plan*” or the “*Redevelopment Plan and Project*”) is the proposed Pheasant Run Project Area (the “*Redevelopment Project Area*”, the “*RPA*” or the “*TIF District*”). The RPA consists primarily

*Redevelopment Plan and Project-Pheasant Run TIF Financing
City of St. Charles, Illinois*

of the former Pheasant Run Resort and Golf Course properties located along the south side Main Street (North Avenue/IL Route 64) between Keil Road to the east and Kautz Road to the west. The RPA includes five (5) tax parcels. A boundary map of the RPA is attached as Exhibit A. The RPA is legally described in Exhibit B.

A significant proportion of the Pheasant Run buildings was completely destroyed by fire in May 2022 (the Fire”). This fire exacerbated already existing building and site improvement conditions within the RPA that contributed to the emergence of certain qualification factors as defined by the Tax Increment Allocation Redevelopment Act of Chapter 65 ILCS Section 5/11-74.4 *et seq.*, as amended (the “*TIF Act*” or the “*Act*”) such as obsolescence, excessive vacancies, deterioration, dilapidation, code violations, inadequate utilities. In addition, the EAV of the RPA has lagged behind the EAV for the rest of the City for three (3) of the last five (5) years.

On balance, the combination of factors described above, now aggravated the Fire, may not only inhibit potential for private reinvestment within and around the RPA but may also serve to provoke further economic decline of RPA and areas adjacent thereto. This is because these conditions negatively impact the possibility for coordinated and substantial private sector reinvestment in the overall RPA. Without the use of City planning and economic development resources to address certain issues, potential redevelopment activities are not likely to be economically feasible. These factors potentially weaken the likelihood for redevelopment opportunities, limiting employment and contributing to a lack of future investment in the area. To address these conditions the City seeks to adopt the Pheasant Run TIF, in order to enhance future opportunities for viable redevelopment.

Coordinated redevelopment efforts by the City using the TIF Act, will put the City in a better position to take advantage of redevelopment opportunities that meet new market conditions and trends. Accordingly, under this Redevelopment Plan and Project, and as part of its comprehensive economic development planning, the City intends to attract and encourage retail, commercial, light industrial/warehouse developers and tenants to locate, upgrade, expand and/or modernize their facilities within the City. Through the establishment of the RPA, the City will implement a program to redevelop RPA; in so doing, it intends to stabilize the area, extend benefits to the entire community, and assist affected taxing districts over the long term.

A. The Redevelopment Plan

The City recognizes the need for implementation of a strategy to reposition and revitalize existing properties within the boundaries of the RPA, as well as to stimulate and enhance redevelopment. The permanent closure of the Pheasant Run Resort and Golf Course, along with the resort's physical demise and partial destruction by the Fire, and the resulting impacts in this strategically critical area of the City, especially in light of the decline of the Charlestowne Mall across the street, requires the City to be proactive in encouraging its redevelopment. The City's ability to respond to marketplace demands is a key component of the City's strategy to promote private redevelopment within key parts of the City. The RPA will likely attract the necessary private investment only if tax increment financing (TIF) is adopted pursuant to the TIF Act. Incremental property tax revenue generated by the redevelopment will play a decisive role in encouraging private redevelopment. Existing conditions, such as those associated with properties and site improvements located within the RPA, that may have precluded intensive private reinvestment in the past, will be eliminated. Ultimately, the implementation of the Redevelopment Plan and Project detailed herein will benefit the City and all the associated taxing districts, in the form of a stabilized and significantly expanded tax base.

The designation of the area as a Redevelopment Project Area will allow the City to address deficiencies within the RPA, by taking the following steps:

- Establishing a pattern of up-to-date retail, commercial, and light industrial/warehouse land-uses that will increase valuation and address evolving market trends, especially as such uses complement adjacent uses;
- Providing efficient vehicular access and connections to regional transportation networks
- Entering into redevelopment agreements in order to facilitate and guide the redevelopment and adaptive re-use of underutilized and obsolete properties;
- Improving area appearance through removal, reconstruction, and renovation of obsolete structures and deleterious conditions, and undertaking state-of-the-art industry landscape, streetscape and signage programs;
- Coordinating land assembly to provide sites for more modern redevelopment plans; and
- Providing infrastructure that is adequate in relation to redevelopment plans.

The area, on the whole, would not reasonably be anticipated to be redeveloped in a coordinated manner without the adoption of this Redevelopment Plan and Project. The City has prepared the Redevelopment Plan and Project to utilize tax increment financing to address area needs and to meet the City's redevelopment goals and objectives.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the RPA. By means of public investment, the City will strengthen the RPA, thus setting the stage for attracting private capital for redevelopment. This, in turn, will lead to the retention, expansion and attraction of commercial, retail and mixed residential use development into the City in general, and the RPA in particular.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements, thereon, substantially benefited by the redevelopment project. Also pursuant to the Act, the area is not less in the aggregate than 1½ acres.

Through this Redevelopment Plan and Project, the City will serve as the central force for marshaling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the City and all the taxing districts, which encompass the RPA in the form of a stabilized and expanded tax base, the retention of existing businesses, and the creation of new businesses and employment opportunities within the City, because of induced private sector investment within the area.

B. Summary

The City, through legislative actions as required by the Act, finds:

- That the RPA, as a whole, has not been subject to growth and development through investment by private enterprise.
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of the RPA must be undertaken;
- To alleviate the adverse conditions, it is necessary to encourage private reinvestment and stabilize and enhance the tax base in the RPA for the benefit of the taxing districts through redevelopment of the RPA;
- That public/private partnerships are determined to be necessary in order to achieve development goals;
- That the Redevelopment Plan and Project conforms to the City's Comprehensive Plan (2013);

- That without the development focus and resources provided for under the Act, and as set forth in this Plan, redevelopment and growth is not reasonably expected to be achieved; and
- That the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of benefit to the taxing districts because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment.

It is further found, and certified by the City, in connection with the process required for the adoption of this Plan pursuant to the Act, that the projected redevelopment of the RPA will not result in the displacement of ten (10) inhabited residential units or more, and that the RPA contains less than seventy-five (75) inhabited residential units. Therefore, this Plan does not include a Housing Impact Study as would otherwise be required.

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA. Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF.

II. **REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION**

The Redevelopment Project Area legal description is attached in Exhibit B.

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in accordance with the City's Comprehensive Plan, which is considered the City's comprehensive planning process, and other relevant planning efforts (any amendments thereto).

The RPA, as redeveloped, is expected to achieve a balance of commercial and light industrial redevelopment that is responsive to market trends. A large, obsolete and deteriorating former resort and golf course, located along a key commercial corridor, will be adaptively repositioned to thrive in ever evolving economic climate. It will be redeveloped in a manner consistent with current market development trends and surrounding land uses.

Lacking specific direction in relation to market changes, redevelopment in the RPA is currently stalled. The RPA will provide better guidance for future development and improve coordination between the City, developers, investors, and business owners.

A. General Goals of the City

- 1) Develop attractive and highly functional retail and commercial areas that are market responsive, create a diverse tax base, and serve the needs of the city's residents, and in some areas, a larger regional market.
- 2) Enhance the economic viability, productivity, appearance, and function of the City's commercial corridors, including Main Street (North Avenue/IL Route 64).
- 3) Continue to support a diversified light industrial/business park, commercial service economic base that provides employment opportunities within the community.
- 4) Prioritize improvements to existing areas and developments including adaptive reuse and redevelopment.
- 5) Maintain high quality, environmentally friendly, and efficient infrastructure systems and networks through regular investment and maintenance to meet the changing needs of the City today and in the future

B. Specific Objectives for the RPA

- 1) Maintain a range of retail and service activities throughout the City.
- 2) Build upon the existing commercial zoning district structure to design and designate more specific functional roles for the various commercial areas with their the City distinguished by developments with local, community, and/or regional service markets

- 3) Continue to evaluate the costs and benefits of using incentives and other techniques to initiate redevelopment of key opportunity sites
- 4) Initiate programs to encourage the improvement and rehabilitation of older commercial buildings and areas which are, or are becoming, functionally obsolete, including improvements to infrastructure, technology, functionality, access, and operational footprints.
- 5) Promote a healthy and mutually reinforcing mix of commercial, retail, and service uses along key corridors within the City, including Main Street (North Avenue/IL Route 64)
- 6) Utilize a “character node” approach by requiring high quality development along Randall Road and Main Street (North Avenue/IL Route 64) at key intersections with other arterial or collector streets that serve as the “front door” into the primary commercial areas.
- 7) Establish design and improvement standards for commercial areas to guide the scale, appearance, orientation, and overall character of new development.
- 8) Require all industrial development to meet specific applicable performance standards for noise, air, odor, and any other forms of environmental pollution
- 9) Utilize appropriate setbacks, screening, buffering, and site design to minimize the negative impacts of industrial uses on adjacent areas, such as noise, vibration, air pollutants, odor, truck traffic, large shadows, etc
- 10) Build on and continue to implement the 2007 Economic Development Plan as a for strengthening retail, retail, service, and industrial uses throughout St. Charles.
- 11) Where appropriate, consider using incentives such as Tax Increment Financing as a means of fostering redevelopment in Downtown, the Charlestowne Mall site, and other areas of the City identified as priority investment locations.
- 12) Renovate or redevelop aging commercial areas in order to maximize their contribution to the City’s tax base.

C. **Redevelopment Objectives**

The purpose of the RPA designation will allow the City to:

- 1) Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal and to conform to City planning efforts;
- 2) Reduce or eliminate the negative factors present within the area;
- 3) Accomplish redevelopment over a reasonable time period;
- 4) Provide for high quality public improvement projects within the RPA; and
- 5) Provide for an attractive overall appearance of the area.

The implementation of the Redevelopment Plan and Project will serve to improve the overall quality of life within the RPA and contribute to the economic development of the City as a whole.

IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH WITHIN THE RPA AND ASSESSMENT OF FISCAL IMPACT ON AFFECTED TAXING DISTRICTS

A. Evidence of the Lack of Development and Growth Within the RPA

As documented in Exhibit C of this Plan, the RPA would qualify as a “blighted improved” area. Properties within the RPA would not likely experience coordinated redevelopment without the designation of the RPA.

The proposed RPA exhibits various conditions which, if not addressed by the City, would eventually worsen. For example, structures and site improvements within the RPA reflect obsolescence, excessive vacancies, deterioration, dilapidation, code violations, inadequate utilities, lag in EAV, deleterious land use, and lack of ventilation, light or sanitary facilities. These various conditions discourage private sector investment in business enterprises or in redevelopment sites.

B. Assessment of Fiscal Impact on Affected Taxing Districts

It is anticipated that the implementation of this Redevelopment Plan and Project will have a minimal financial impact on most of the affected taxing districts. In fact, the action taken by the City to stabilize and encourage growth of its tax base through the implementation of this Redevelopment Plan and Project is expected to have a positive impact on the affected taxing districts by arresting and avoiding potential declines in assessed valuations.

Since there is no residential development with the RPA, the City has made no allowances in this Redevelopment Plan and Project to provide for distributions to school taxing districts. In the unlikely event of any unforeseen residential development, the City will follow the guidelines provided by the Act to compensate the school taxing districts at levels dictated by any actual increase in students caused by residential redevelopment, as provided by the Act.

To the extent any surplus exists, any resulting surplus Special Tax Allocation Funds will be proportionately shared with the various taxing districts, including the City, based on their respective tax rates for a given year, after all TIF eligible costs either expended or incurred as an obligation by the City have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the City as provided by the Act. The exception to this provision will be the very unlikely event that the City utilizes TIF funding to assist in the redevelopment of residential units with the impact described above to the school district and library district. In such cases, the City will provide funds to offset the costs incurred as prescribed by the Act.

V. **TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA**

A. **Findings**

The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act (65 ILCS 5/Art. 11 Div. 74.4, the “*TIF Act*”). It was determined that the area, as a whole, qualifies as a TIF District under Illinois law based upon “blighted improved area” factors. Refer to the Qualification Report, (Exhibit C) which is attached as part of this Plan.

B. **Eligibility Survey**

The RPA was evaluated, from time to time, over a period from December 2021 through the date of this Redevelopment Plan and Project. Analysis was aided by certain reports and information obtained from the City and from other sources, including DuPage County and Wayne Township.

VI. HOUSING IMPACT STUDY FINDINGS IN THE REDEVELOPMENT PROJECT AREA

Findings

The RPA was studied to determine if a housing impact study would need to be conducted pursuant to the TIF Act. The City has found that the plan will not displace ten (10) or more residents and that the RPA contains less than seventy-five (75) inhabited residential units, thus a housing impact study is not required to be completed.

VII. REDEVELOPMENT PROJECT

A. Redevelopment Plan and Project Objectives

The City proposes to realize its goals and objectives of encouraging the redevelopment of the RPA and encouraging private investment through public finance techniques including, but not limited to, Tax Increment Financing:

- 1) By implementing a plan that provides for the retention and expansion of existing businesses and bolsters the attraction of users to redevelop existing or new structures, as well as vacant or underutilized parcels that are, or may become available, within the RPA.
- 2) By constructing public improvements which may include (if necessary):
 - i. Street and sidewalk improvements (including new street construction, widening of current streets, and multi-use pedestrian and bicycle paths);
 - ii. Utility improvements (including, but not limited to, electric, water, storm water management, flood control and sanitary sewer projects consisting of construction and rehabilitation);
 - iii. Signalization, traffic control, and lighting;
 - iv. Off-street parking (structured and/or grade);
 - v. Landscaping, streetscape, and beautification; and
 - vi. Improve public facilities and institutional uses.
- 3) By entering into redevelopment agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) By providing for land assembly, site preparation, environmental remediation (if necessary), clearance, and demolition, including grading and excavation.
- 5) By the redevelopment of certain buildings or sites through necessary rehabilitation and improvement of structures.
- 6) By exploring and reviewing job training programs in coordination with any City, federal, state, and county programs.
- 7) By entering into agreements with other public bodies for the development or construction of public facilities and infrastructure.

B. Redevelopment Activities

Pursuant to the foregoing objectives, the City will implement a coordinated program of actions, including, but not limited to, site preparation, clearance, acquisition, demolition, construction of public infrastructure and related public improvements, and rehabilitation of existing structures and improvements, if necessary.

Site Preparation, Clearance, and Demolition

Property within the RPA may be acquired and improved using site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment.

Land Assembly and Relocation

Certain properties or interests in properties in the RPA may be acquired or purchased by private entities. These properties may be assembled and reconfigured into appropriate redevelopment sites. The City may facilitate private acquisition through reimbursement of acquisition and related costs through the write-down of acquisition costs. Relocation activities may also be undertaken by the City.

Public Improvements

The City may provide public improvements in the RPA to enhance the immediate area and support the Redevelopment Plan and Project. Appropriate public improvements may include, but are not limited to:

- Improvements and/or construction of public utilities including the improvement of water mains as well as flood control, sanitary, storm sewer, and electric distribution systems;
- Beautification, identification markers, landscaping, lighting, and signage of public rights-of-way; and
- Construction of new (or rehabilitation of existing) public facilities to allow for the redevelopment of the existing sites for retail/commercial and light industrial uses, including parking facilities.

Rehabilitation

The City may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conformance to City code provisions. Improvements may include exterior and facade related work as well as interior related work.

Interest Rate Write-Down

The City may enter into agreements with owners/developers whereby a portion of the interest cost of a construction, renovation or rehabilitation project is paid for on an annual basis out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

Job Training

The City may assist facilities and enterprises located within the RPA in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- Federal programs;
- State of Illinois programs;
- Applicable local vocational educational programs, including community college sponsored programs; and
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

School District Tuition Costs

The City will provide for the payment of eligible tuition costs as provided for in the TIF Act.

C. General Land Use Plan

Existing land use generally consists of commercial/retail and recreational uses. Future land use would include light industrial, retail and commercial uses. Existing and future land uses are shown in Exhibits D and E attached hereto and made a part of this Plan.

D. Additional Design and Control Standards for Development in the City

The appropriate design controls, as set forth in the City's Comprehensive Plan, Zoning Ordinance, or other relevant codes shall apply to the RPA.

E. Estimated Redevelopment Project Costs

"*Redevelopment Project Costs*" mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, as provided in the Act, and any such costs incidental to the Redevelopment Plan and Project. Private investments, which supplement Redevelopment Project Costs, are expected to substantially exceed the Redevelopment Project Costs. Eligible costs permitted under the Act which may be pertinent to this Redevelopment Plan and Project include:

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, or other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; except that after November 1, 1999, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, "redevelopment project costs" shall not include lobbying expenses;
 - 1.1 After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment area or approved a redevelopment plan;
2. The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
5. Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November, 1, 1999 redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of this amendatory Act of the 91st General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
6. Costs of job training and retraining projects including the costs of ‘welfare to work’ programs implemented by businesses located within the redevelopment project area;
7. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
8. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district’s capital (and additional student tuition) costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;

9. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999 an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:
 - a) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

- b) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
- (i) for unit school district, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school district, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act.
- c) Any school district in a municipality with a population of 1,000,000, additional restrictions apply.

Any school district seeking payment shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by the Act. By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects.

10. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005, a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library district by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph applies only if (i) the library is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

The amount paid to a library district under this paragraph shall be calculated by multiplying (i) the net increase in the number of persons eligible to obtain a library card in that district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by (ii) the per-patron cost of providing library services so long as it does not exceed \$120. The per-patron cost shall be the Total Operating Expenditures Per Capita as stated in the most recent Illinois Public Library Statistics produced by the Library Research Center at the University of Illinois. The municipality may deduct from the amount that it must pay to a library district under this paragraph any amount that it has voluntarily paid to the library district from the tax increment revenue. The amount paid to a library district under this paragraph shall be no more than 2% of the amount produced by the assisted housing units and deposited into the Special Allocation Fund.

A library district is not eligible for any payment under this paragraph unless the library district has experienced an increase in the number of patrons from the municipality that created the tax-increment-financing district since the designation of the redevelopment project area.

Any library district seeking payment under this paragraph shall, after July 1 and before September 30 of each year, provide the municipality with convincing evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the library district. If the library district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. Library districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this

paragraph. By acceptance of such reimbursement, the library district shall forfeit any right to directly or indirectly set aside, modify, or contest in any manner whatsoever the establishment of the redevelopment project area or projects;

11. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
12. Payment in lieu of taxes;
13. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code;
14. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a) such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;
 - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
 - c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund;
 - d) the total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any

property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;

- e) the cost limits set forth in subparagraphs (b) and (d) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act and the percentage of 75% shall be substituted for 30% in subparagraphs (b) and (d);
- f) Instead of the eligible costs provided by subparagraphs (b) and (d), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (f) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (f).

The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (f) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated

with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later;

15. If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county or regional median income are determined from time to time by the United States Department of Housing and Urban Development.
16. Unless explicitly stated herein the costs of construction of new privately owned buildings shall not be an eligible redevelopment project cost;
17. After November 1, 1999, none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment projects if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, has become economically obsolete, or was no longer a viable location for the retailer or serviceman;
18. No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. "Historic Resource" means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax incremental revenues derived from the tax imposed pursuant to Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by the TIF Act.

Estimated costs are shown on the next page. Adjustments to these cost items may be made without amendment to the Redevelopment Plan and Project.

**CITY OF ST. CHARLES
PHEASANT RUN REDEVELOPMENT PROJECT
ESTIMATED PROJECT COSTS**

<u>Program Actions/Improvements</u>	<u>Estimated Costs (A)</u>
1. Land Acquisition, Assembly Costs	\$ 9,000,000
2. Demolition, Site Preparation, Environmental Cleanup and Related Costs	\$ 16,500,000
3. Infrastructure/Public Facilities Improvements	\$ 3,000,000
4. Rehabilitation Costs	\$ 1,500,000
5. Interest Costs Pursuant to the Act	\$ 5,500,000
6. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	\$ 1,000,000
7. Job Training	\$ 100,000
8. Statutory School District Payments	\$ 6,000,000
TOTAL ESTIMATED PROJECT COSTS	\$ 42,600,000

(A) All project cost estimates are in year 2022 dollars. In addition to the above stated costs, any bonds issued to finance a phase of the Project may include an amount sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for annual interest costs, capitalized interest and reasonably required reserves. Adjustments to the estimated line-item costs above are expected. Each individual project cost will be reevaluated considering the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The line-item amounts set forth above are not intended to place a not to exceed limit on the described expenditures as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the amount of payments for the Total Estimated Project Costs shall not exceed the combined overall budget amount shown above. Adjustments may be made in line items within the total, either increasing or decreasing line-item costs for redevelopment.

Pursuant to the Act, the City may utilize net incremental property tax revenues received from other existing or future contiguous redevelopment project areas to pay eligible redevelopment project costs or obligations issued to pay such costs in the proposed RPA, and vice versa.

*Redevelopment Plan and Project-Pheasant Run TIF Financing
City of St. Charles, Illinois*

F. Sources of Funds to Pay Redevelopment Project Costs Eligible Under Illinois TIF Act

Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from property tax increment revenues, proceeds from municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Plan and Project.

“Redevelopment Project Costs” specifically contemplate those eligible costs set forth in the Act and do not contemplate the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed, and TIF or other public sources are to be used, subject to approval by the City’s corporate authorities, only to leverage and commit private redevelopment activity.

The tax increment revenues, which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs, shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2021 tax year for the RPA.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the City may from time to time deem appropriate.

The Redevelopment Project Area would not reasonably be expected to be developed in a coordinated manner without the use of the incremental revenues provided by the Act.

The City may also direct incremental revenues from the Redevelopment Project Area to any existing or future contiguous redevelopment project areas for redevelopment activities in conformance with the provisions of the Act and it may also receive incremental revenues from any existing or future contiguous redevelopment project areas in order to further the redevelopment activities described in this Plan.

G. Nature and Term of Obligations to be Issued

The City may issue obligations secured by the Special Tax Allocation Fund established for the Redevelopment Plan and Project Area pursuant to the Act or such other funds as are available to the City by virtue of its home rule powers pursuant to the Illinois State Constitution.

Any and/or all obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years after the year of adoption of the ordinance approving the Redevelopment Project Area. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year, may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

Those revenues not required for principal and interest payments, for required reserves, for bond sinking funds, for redevelopment project costs, for early retirement of outstanding securities, and to facilitate the economical issuance of additional bonds necessary to accomplish the Redevelopment Plan and Project, may be declared surplus and shall then become available for distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Such securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions, and on such other terms, all as the City may determine.

H. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area

The most recent estimate of equalized assessed valuation (EAV) for tax year 2021 of the property within the RPA is approximately \$3,440,470.¹

I. Anticipated Equalized Assessed Valuation (EAV)

Upon completion of the anticipated private development of the RPA over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the RPA will be within a range of approximately \$50,000,000 to \$75,000,000.

¹ Pending verification from the Kane County Assessor's Divisions Department.

VIII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

A. Redevelopment Project

An implementation strategy will be employed with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing and other necessary approvals for appropriate projects. Depending upon the scope of the development as well as the actual uses, the following activities may be included in each phase:

Land Assembly: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site.

Demolition and Site Preparation: The existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain structures and grading of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements necessary to prepare the site for desired redevelopment projects.

Rehabilitation: The City may assist in the rehabilitation of private or public facilities, buildings or site improvements located within the RPA.

Landscaping/Buffering/Streetscaping: The City may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.

Water, Sanitary Sewer, Storm Sewer, Electric and Other Utility Improvements: Certain public and private utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The provision of necessary detention or retention ponds may also be undertaken by the City. Public and private utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.

Public Infrastructure/Facility Improvements: Widening of existing road improvements and/or vacation of roads may be undertaken by the City. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Public facilities including parking may be constructed that would be available to the general public.

Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.

Public Safety Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.

Interest Costs Coverage: The City may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as permitted by the Act.

Professional Services: The City may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The City may reimburse itself from annual tax increment revenue if available.

Tuition Payments to School and Library Districts: The City may fund payments to the school district pursuant to the provisions of the Act.

B. Commitment to Fair Employment Practices and Affirmative Action

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

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

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

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

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment costs

This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) calendar years after the year of adoption of an ordinance designating the RPA. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year of the initial adoption of the ordinance approving the RPA.

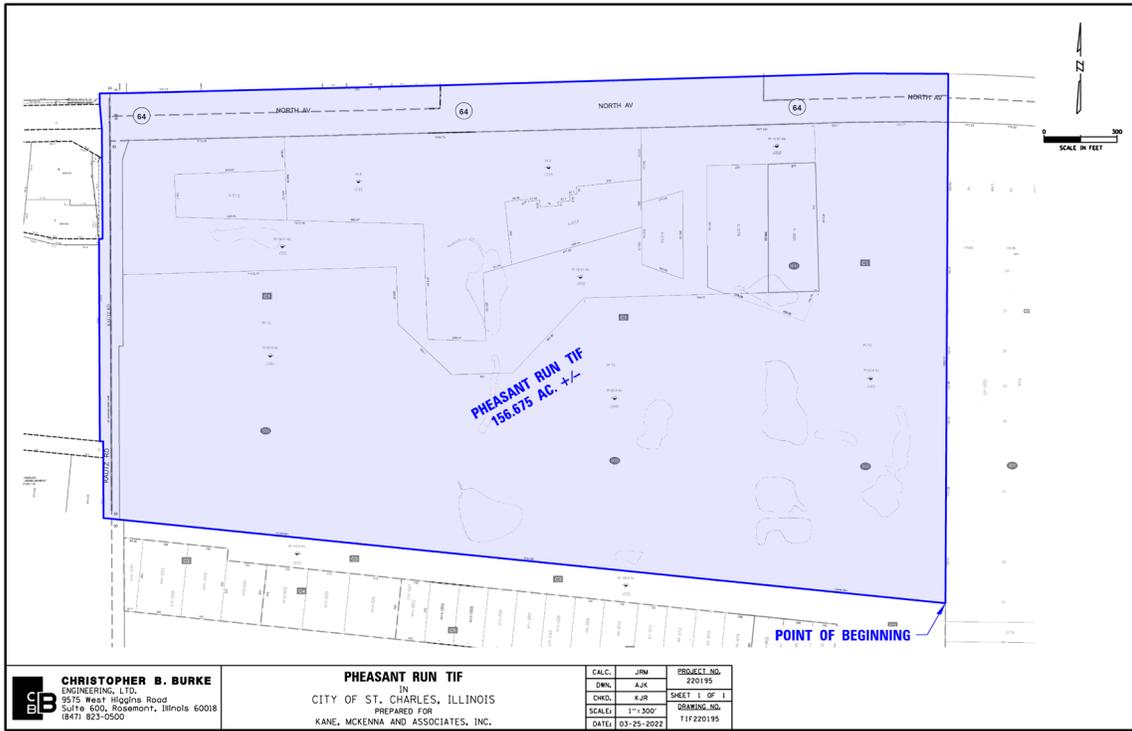
IX. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT

This Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

*Redevelopment Plan and Project- Pheasant Run TIF
City of t. Charles, Illinois*

#62126807_v5

EXHIBIT A
BOUNDARY MAP



CB
CHRISTOPHER B. BURKE
 ENGINEERING, LTD.
 5575 West Higgins Road
 Suite 600, Rosemont, Illinois 60018
 (847) 823-0500

PHEASANT RUN TIF
 IN
 CITY OF ST. CHARLES, ILLINOIS
 PREPARED FOR
 KANE, MCKENNA AND ASSOCIATES, INC.

CALC.	JPM	PROJECT NO.
CHKD.	JJK	220195
DATE	03-25-2022	SHEET 1 OF 1
SCALE	1"=300'	DRAWING NO.
		TIF220195

ST:CHARLES\Z20195\SURVEY\TIF220195L.SHP

EXHIBIT B
LEGAL DESCRIPTION

LEGAL DESCRIPTION (Pheasant Run TIF – St. Charles)

THAT PART OF THE EAST HALF OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN IN KANE COUNTY, ILLINOIS ALONG WITH THAT PART OF SECTION 30, TOWNSHIP 40 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN IN DUPAGE COUNTY, ILLINOIS BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF PHEASANT RUN RESORT ASSESSMENT PLAT #2, AS RECORDED APRIL 6, 2021 AS DOCUMENT NO. R2021-054229;

THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2 AND THE WESTERLY EXTENSION THEREOF TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF KAUTZ ROAD;

THENCE NORTHERLY ALONG SAID WEST RIGHT-OF-WAY LINE OF KAUTZ ROAD AND THE NORTHERLY EXTENSION THEREOF TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF ILLINOIS ROUTE 64 (AKA MAIN STREET);

THENCE EAST ALONG SAID NORTH RIGHT-OF-WAY LINE OF ILLINOIS ROUTE 64 (AKA MAIN STREET) TO A POINT OF INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EASTERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2;

THENCE SOUTHERLY ALONG SAID NORTHERLY EXTENSION AND THE EASTERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2 TO THE POINT OF BEGINNING.

EXHIBIT C
TIF QUALIFICATION REPORT

CITY OF ST. CHARLES, ILLINOIS
PHEASANT RUN TIF QUALIFICATION REPORT
REDEVELOPMENT PROJECT AREA

A preliminary analysis to assess the likelihood that all or a portion of an area located in the City of St. Charles could qualify as a “blighted improved area” as defined in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended.

Prepared for: City of St. Charles, Illinois

Prepared by: Kane, McKenna and Associates, Inc.



February 2023

**PROPOSED PHEASANT RUN
REDEVELOPMENT PROJECT AREA
TIF QUALIFICATION REPORT**

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EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (KMA) has been retained by the City of St. Charles, Illinois (the "City") to conduct an analysis of the potential qualification and designation of certain property located in the City, to be addressed herein as the proposed Redevelopment Project Area (the "RPA" or "Study Area") and included in the map attached as Exhibit A. Essentially the Study Area includes the former Pheasant Run Resort and Golf Course properties generally bordered by Main Street (Route 64) to the north, Kautz Road to the west, Keil Road to the east, and Tower Road to the south. The qualification review is being carried out pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended (the "TIF Act").

The City is pursuing the Study Area designation as part of its ongoing review of the former, vacant, and now partially destroyed (by fire) Pheasant Run Resort and Golf Course, in order to assist in the redevelopment of the Study Area. By undertaking the designation, the City will help restore the Study Area as a significant contributor to the City's overall economic base.

Based upon the analysis completed to date, KMA has reached the following conclusions regarding the qualification of the Study Area as a TIF District:

- 1) *Improved land within the proposed TIF District qualifies as a blighted-improved area under the Act.* Overall, all land within the proposed TIF District is found to be "improved" pursuant to the Act and to be in a "blighted condition" as defined in the Act that prevents, or threatens to prevent, the economic and physical development of properties in a manner that the community deems essential to its overall economic health.
- 2) *The blighting conditions found within the proposed TIF District present impediments to the area's successful redevelopment.* The blighting factors negatively impact coordinated and substantial private sector investment in the proposed TIF District. Without Village planning and use of economic development resources to eliminate such factors, potential redevelopment projects, along with other activities that require private sector investment, would not be economically feasible.
- 3) *The redevelopment of the proposed TIF District will provide the potential to produce incremental property tax revenue.* Said revenue, if used in combination with public resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the TIF district.
- 4) *Formal designation is recommended.* To eliminate the existing blighting conditions, to promote the economic viability of the proposed TIF District, and to foster private sector investment and redevelopment, KMA recommends that the Village proceed with the formal TIF designation process.

Because the City will not consider the redevelopment of residential parcels that would dislocate ten (10) or more residential units within the proposed TIF District, the City will not conduct a housing impact study pursuant to the TIF Act.

I. INTRODUCTION AND BACKGROUND

Current Land Use. The Study Area is generally bounded by Main Street (Route 64) to the north, Kautz Road to the west, Keil Road to the east, and Tower Road to the south. The uses consist primarily of the former, and now partially destroyed, Pheasant Run Resort/Convention Center and Golf Course, which served as an iconic suburban entertainment destination for decades that helped put St. Charles on the map. Pheasant Run had been woven into the fabric of St. Charles's identity since 1956, as it drew vacationers and business professionals from across the Chicago area and beyond for decades. The resort and convention center brought many conferences and other large events to the City, generating significant economic activity for the City. In 2011, the resort fell into foreclosure partly due to the economic downturn. Three years later, the resort was purchased by an investment group. In 2016, the DuPage County Airport Authority filed a condemnation suit against the golf course portion of the resort to block a proposed residential development at the time, a use deemed incompatible by the Airport Authority. The resort continued to operate the golf course until the resort's closure. Resort management later restructured its operations and cut its staff by 75% until the resort's closure in March, 2020. Shortly thereafter, the resort was listed for sale and put up for auction, unsuccessfully. In May, 2022, a significant proportion of the resort's buildings were completely destroyed by fire (the "Fire") ". The cause of this Fire is still under investigation.

The Study Area consists of approximately 156 acres and, before the Fire, was improved with the nine (9) buildings which comprised the former Pheasant Run Resort and convention center and golf course. The nine (9) buildings consisted of the main resort building, built in 1963, five (5) two-story buildings containing the original guest rooms, also built in 1963, the convention center built in the early 1970s, a meeting hall (Gallery Hall) built in the 1970s, and one (1) maintenance/storage building. The golf course also contains one ancillary building consisting of likely a caddy or snack shack. The main resort building included, among others, the original lobby, a 15-story tower containing 202 guest rooms (added to the main building in 1982), the country's very first indoor/outdoor pool, a second indoor pool and spa, seven restaurants and bars, banquet and meeting facilities, a fitness center, golf shop, comedy club, and theatre added to main building in 1985. The Fire destroyed three of the five two-story guest room buildings, the lobby, the "Bourbon Street" entertainment area, and indoor pool sections of the main resort building, leaving the rest of the main resort building, convention center, Gallery Hall, the resort tower, and the maintenance/storage building some of which incurred ancillary damage from the Fire or are severely damaged from vandalism.

General Redevelopment Objectives

The redevelopment of the proposed RPA would further the City's overarching land use objectives, which are contained in its *City of St. Charles 2013 Comprehensive Plan* (the "2013 Plan"). In the 2013 Plan the City has articulated a number of public policy goals and objectives, and related strategies, which would be supported by the City's adoption of the proposed RPA as a TIF District (see Table 1 below).

As part of its vision through 2028, the 2013 Plan noted the City's intention that the Pheasant Run Resort continue as a revenue generator for the City when it said "the east side of the community

has benefitted from the redevelopment of the Charlestowne Mall, the continued presence of Pheasant Run, and the strong employment base provided by industrial development.” The 2013 Plan further states that, “Collectively, they act as an attractive ‘front door’ to St. Charles . . .”. Based on these observations in the 2013 Plan, Pheasant Run’s subsequent closure and the Fire, the impacts of which have been exacerbated by the decline of the Charlestowne Mall since the adoption of the 2013 Plan, are detrimental to the east side of the St. Charles Community. Given the gap between the City’s goals for the area and the conditions described in this report, the City has determined that the redevelopment of the proposed RPA is necessary to the community. With a redevelopment strategy in place, the economic base associated with the RPA would be restored – thereby benefiting the community as a whole. Without such a redevelopment strategy, the adverse conditions identified in this report would likely worsen.

Table 1
Redevelopment Policy Goals – St. Charles Comprehensive Plan (2013) (Excerpt)

<i>Policy Goals</i>	<i>Objectives and Strategies</i>
<ul style="list-style-type: none"> • Develop attractive and highly functional retail and commercial areas that are market responsive, create a diverse tax base, and serve the needs of the City’s residents, and in some areas, a larger regional market. • Enhance the economic viability, productivity, appearance, and function of the City’s commercial corridors, including Randall Road, Main Street, Lincoln Highway, and Kirk Road 	<ul style="list-style-type: none"> • Maintain a range of retail and service activities throughout the City. • Build upon the existing commercial zoning district structure to design and designate more specific functional roles for the various commercial areas within the City distinguished by developments with local, community, and/or regional service markets. • Continue to evaluate the costs and benefits of using incentives and other techniques to initiate redevelopment of key opportunity sites • Initiate programs to encourage the improvement and rehabilitation of older commercial buildings and areas which are, or are becoming, functionally obsolete, including improvements to infrastructure, technology, functionality, access, and operational footprints. • Promote a healthy and mutually reinforcing mix of commercial, retail, and service uses along key corridors within the City, including Randall Road, Main Street, Lincoln Highway, and Kirk Road. • Utilize a “character node” approach by requiring high quality development along Randall Road and Main Street at key intersections with other arterial or collector

<ul style="list-style-type: none"> • Continue to support a diversified light industrial/business park, commercial service economic base that provides employment opportunities within the community. • Prioritize improvements to existing areas and developments including adaptive reuse and redevelopment. 	<p>streets that serve as the “front door” into the primary commercial areas.</p> <ul style="list-style-type: none"> • Establish design and improvement standards for commercial areas to guide the scale, appearance, orientation, and overall character of new development. • Identify underperforming and underutilized parcels and sites, such as the southeast corner of Main Street and Kirk Road, and work with property owners and development to promote their redevelopment, encouraging parcel assembly where appropriate. • Promote the modernization of and/or redevelopment of the Charlestowne Mall and other outdated commercial sites. • Require all industrial development to meet specific applicable performance standards for noise, air, odor, and any other forms of environmental pollution • Utilize appropriate setbacks, screening, buffering, and site design to minimize the negative impacts of industrial uses on adjacent areas, such as noise, vibration, air pollutants, odor, truck traffic, large shadows, etc. • Build on and continue to implement the 2007 Economic Development Plan as a basis for strengthening retail, service, and industrial uses throughout St. Charles. • Where appropriate, consider using incentives such as Tax Increment Financing as a means of fostering redevelopment in Downtown, the Charlestowne Mall site, and other areas of the City identified as priority investment locations. • Renovate or redevelop aging commercial areas in order to maximize their contribution to the City’s tax base.
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Overall, the area faces a number of potential redevelopment impediments as described in Section IV of this report. Additionally, while the area has certain beneficial locational assets, the current state of the local and national economy, characteristics of parcel sizes, existing uses, and redevelopment challenges associated with older buildings and destroyed buildings contribute to constraints related to redevelopment. The City has determined that the redevelopment of the proposed Study Area would be beneficial to the community. With a redevelopment strategy in place, the economic base of the Study Area would be increased, thereby benefiting the community as a whole.

General Scope and Methodology. KMA performed its analysis by conducting a series of discussions with City staff, starting in December, 2021 and continuing periodically up to the date of this report. The purpose of the review was to gather data related to the preliminary qualification criteria for properties included in the Study Area. These discussions were complemented by a series of field surveys (pre- and post-Fire) for the entire area to evaluate the condition of the Study Area. The field surveys and data collected have been utilized to determine that the Study Area could qualify for TIF designation. The qualification factors discussed in this report would assist in the qualification of the Study Area as a blighted improved area, as the term is defined pursuant to the TIF Act. For additional information about KMA's data collection and evaluation methods, refer to Section III of this report.

II. QUALIFICATION CRITERIA

With the assistance of City staff, Kane, McKenna and Associates, Inc. assessed the proposed Study Area to determine the likelihood that qualifying factors listed in the Act would be present. The relevant provisions of the Act are cited below.

The Act sets out specific procedures which must be adhered to in designating a redevelopment project area (Study Area). By definition, a “redevelopment project area” is:

“An area designated by the municipality, which is not less in the aggregate than 1½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.”

Under the Act, “blighted area” means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where certain conditions are met, as identified below.

TIF Qualification Factors for a Blighted Improved Area. In accordance with the TIF Act, KMA assessed the following factors to determine TIF qualification for the proposed RPA characterized as blighted-improved. Per the statute, such an area meets state standards provided that:

If *improved*, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of five (5) or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area:

(A) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required, or the defects are so serious and so extensive that the buildings must be removed.

(B) Obsolescence. The condition or process of falling into disuse. Structures become ill-suited for the original use.

(C) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas evidence deterioration, including, but limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

(D) Presence of Structures Below Minimum Code Standards. All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.

(E) Illegal Use of Individual Structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive Vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

(G) Lack of Ventilation, Light, or Sanitary Facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(H) Inadequate Utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the Redevelopment Project Area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the Redevelopment Project Area.

(I) Excessive Land Coverage and Overcrowding of Structures and Community Facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading service.

(J) Deleterious Land-Use or Layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive or unsuitable for the surrounding area.

(K) Environmental Clean-Up. The proposed Redevelopment Project Area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for (or a study conducted by an independent consultant

recognized as having expertise in environmental remediation has determined a need for) the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law. Any such remediation costs would constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.

(L) Lack of Community Planning. The proposed Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning.

(M) Lagging EAV. The total equalized assessed value (EAV) of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.

III. EVALUATION METHODOLOGY

In evaluating the proposed Study Area's potential qualification as a TIF District, the following methodology was utilized:

- 1) Site surveys of the Study Area were undertaken by representatives from Kane, McKenna and Associates, Inc., supplemented with photographic analysis of the sites. Preliminary surveys were completed of properties located within the Study Area.
- 2) KMA conducted evaluations of exterior structures and associated site improvements, noting such conditions as dilapidation and obsolescence. Additionally, KMA reviewed the following data: 2015-2021 tax information from DuPage County, Wayne Township Assessor, tax maps, aerial photos, site data, local history (including discussions with City staff), and an evaluation of area-wide factors that have affected the area's development (e.g., obsolescence, deleterious land-use and layout, etc.).
- 3) KMA also obtained documentation and data from the City regarding building and site conditions within the Study Area, including code violations data.
- 4) Existing structures and site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, TIF Act factors applicable to specific structures and site conditions of the parcels.
- 5) The Study Area was examined to assess the applicability of the different factors required for qualification as a TIF District. Examination was made by reviewing the information and determining how each measured when evaluated against the relevant factors. The Study Area was evaluated to determine the applicability of the thirteen (13) different factors, as defined under the Act, which would qualify the area as a TIF District.

IV. QUALIFICATION FINDINGS FOR PROPOSED STUDY AREA

Based upon KMA’s evaluation of parcels in the proposed Study Area and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support preliminary qualification of the proposed Study Area as a blighted area under the TIF Act – to be supplemented by additional data, if the City decides to proceed with the designation. These factors are summarized in the table below.

Exhibit 1
Summary of TIF-Qualifying Factors

Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in Proposed Study Area
13	3	<ul style="list-style-type: none"> • Lag in EAV • Obsolescence • Deterioration • Dilapidation • Excessive Vacancies • Code Violations • Inadequate Utilities • Deleterious Land Use • Lack of Ventilation, Light, or Sanitary Facilities

Findings for Study Area. The proposed Study Area meets the qualifications for a “blighted improved” area under the statutory criteria set forth in the TIF Act. KMA reviewed the 13 aforementioned criteria needed to qualify the area as a blighted improved area, determining that nine (9) factors were present:

1. Lagging or Declining EAV. The Act states that if the total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than either the balance of the municipality for three (3) of the last five (5) calendar years or the annual Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years. The finding is based on the last five (5) tax years for which information is available. The EAV of the Study Area has lagged behind the balance of the City’s EAV for three (3) of the last five (5) years. Therefore, a finding of declining or lagging EAV is made pursuant to the TIF Act.

Exhibit 2
EAV Trends for Proposed Study Area

	2021	2020	2019	2018	2017	2016
Total EAV for TIF District	3,440,470	3,142,400	5,197,610	5,026,160	5,045,910	4,474,490
EAV Change (%)	9.49%	-39.54%	3.41%	-0.57%	12.97%	5.75%
City-wide EAV (Excluding TIF)	1,607,875,299	1,577,108,442	1,540,036,585	1,483,332,684	1,424,433,052	1,370,503,442
City EAV Change (%)	2.15%	2.81%	3.82%	4.15%	3.91%	3.32%
CPI	7.0%	1.20%	1.80%	2.40%	1.30%	0.10%

Source: DuPage County and Kane County Clerks, Wayne Township Assessor, and U.S. Bureau of Labor Statistics

2. Obsolescence – The Study Area includes both functional and economic obsolescence. Obsolescence is defined as the condition or process of falling into disuse. Structures have become ill suited for the original use.

The Study Area consists primarily of the Pheasant Run Resort property and golf course which was opened in 1963 as an entertainment resort for leisure and business guests to conveniently unwind in a quiet rural setting just a short distance from Chicago. Since that time, the market appeal of Pheasant Run slowly declined over the years, as its rural ambiance had given way to surrounding shopping malls, subdivisions, and heavy traffic on nearby roads. The property went into bank foreclosure for five years, during which time the property’s operations suffered, despite a \$24 million renovation to the tower guest rooms, theatre, and expo center. In addition, the reduced market appeal of the golf industry nationally, along with the acquisition of the golf course by the DuPage County Airport in 2016 also contributed to the Study Area’s loss in market position. The resort property eventually closed in 2020 and has remained closed since, and the golf course has been sold for an alternate use. Even prior to the Fire, destruction of a significant portion of the building improvements, the Study Area no longer met today’s modern market demands for hotels, resorts, or conference centers. The remaining structures have been severely damaged by chronic vandalism, requiring the City, at one point, to install temporary police security 24 hours per, day seven days per week.

Functional obsolescence is present due to age, physical condition (including partial destruction by the Fire), poor layout and building orientation that makes them unsalvageable for rehabilitation. The main building at Pheasant Run is 59 years old and is severely damaged partially by the Fire and partially by vandalism, and the “patchwork” nature of additions made over the last 59 years had resulted in awkward and uninviting experiences for guests. Before the Fire, guest room wing buildings were also 59 years old, obsolete, did not have elevators, and had fire sprinkler systems dating back to 1963. Two of the five guest room wings had been permanently closed due to defective fire sprinkler systems while the resort was still open. Gallery Hall and the storage/maintenance building were and remain in poor condition and Gallery Hall had been kept

closed prior to the closure of the resort, except for one specific meeting event each year, because half of the HVAC system was not functional, and it had no sprinkler system. The 16-story guest tower is 40 years old and was in need of complete renovation to bring it up to today's hotel standards and has been severely damaged by chronic vandalism.

3. Deterioration of Buildings and Site Improvements – With respect to buildings, defects include, but are not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, downspouts, and fascia. With respect to surface improvements, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas exhibit deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

Prior to the closure of the resort buildings, the buildings suffered from significant deferred maintenance/replacement, which resulted in major defects in secondary building components. These conditions had worsened since that time, and have now been significantly exacerbated by the Fire, broken window seals and deteriorating windowsills were found throughout the common areas, such as at the indoor pools, as well as in guest rooms, resulting in building up of excessive condensation. Ceiling damage from roof leaks were found throughout the buildings, along with drywall damage either from water penetration caused by defective sprinkler heads, or wear and tear. Wall coverings were torn, frayed, or scratched at various locations in the buildings. Broken terra cotta kitchen floor tiles had been replaced with floor patch material. Pool deck stone tiles had been haphazardly re-patched where grout had failed, and the outdoor pool deck had shown signs of settlement and uneven tile paving. The hardwood flooring in the Terrace Café had been severely worn, stained and discolored. Most of the wall-to-wall carpeting throughout the buildings had either been worn, frayed, wrinkled from stretching, or dated. Some Herculite door frames had been corroded, and wood veneer guest room doors had been delaminating. The pool mechanical systems had been outdated and were in need of replacement.

At building exteriors throughout the RPA, window openings buildings had been and remain boarded up partly due to chronic vandalism. Exterior masonry at certain buildings needed tuckpointing. Fascia and soffit, along with gutters and downspouts, exhibited peeling and faded paint, and exterior metal flashings were deteriorated and rusted. The front face of the monument sign at the main entrance to the property was rusted and discolored and faded, with prior repairs to the concrete base obvious to any observer.

Deterioration of the surface improvements was and remains widespread among all of the various parking lots, and storage areas. Nearly all of the asphalt paving exhibits surface cracking and crumbling, and loose paving material. Weeds protruding through the paving can be seen in various locations. Parking space striping is either cracked, corroded or faded throughout all of the parking lots. Some curbs are crumbling, and caution paint on curbs is also cracked and faded. Exterior wood fencing is falling apart or discolored at some locations.

Deterioration of site improvements is also found at the golf course. Since the golf course was closed in 2020, it has not been maintained. Accordingly, all of the greens, fairways, and other vegetation are overgrown, weed growth is extensive, and the paved golf cart roads are deteriorated with weed growth in them.

4. Dilapidation – An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

The recent Fire destroyed a significant portion of the improvements in the Study Area. Prior to the Fire, some of the structural components of some of the Pheasant Run Resort buildings were already in an advanced state of disrepair and neglect, requiring major repair or building removal. As an example, the roof of one of the west storage/maintenance building was previously partially collapsed. Two of the guest room wings buildings had been shut down before the resort was permanently closed because the water system had been shut off since various sprinkler shut off valves were rusted, making it impossible to shut off the sprinklers when they were activated. Except for one limited use, the Gallery Building had also been shut down before the resort was permanently closed because half of the HVAC system was no longer working and it had no sprinkler system at all.

Following the closure of the resort properties in May 2020 and prior to the Fire, deterioration throughout the RPA accelerated. For example, the canopy/porte cochere at the main entrance had collapsed in a heavy rainfall, damaging the front entrance of the building. The collapsed canopy was demolished in August 2020. In addition, in the Fall of 2020, Nicor gas had shut off its gas service to the property due to gas leaks within the building, making the fire suppression system unusable in freezing weather. This resulted in the City's imposition on the owners of a requirement for 24/7 fire watch. In addition, deterioration within the resort complex had led to the electric service through the site being shut off due to safety issues as portions of the system were no longer safe to energize. In January 2021, the City's building and code enforcement department had posted a notice that the building is unsafe for occupancy. In January 2022, windows in the tower building were boarded up due to windows broken by vandalism. The vandalism to the windows has continued.

All of the above issues are identified in a report prepared by the City of St. Charles and provided to KMA on March 25, 2022.

5. Excessive Vacancies - There is a presence of buildings that are unoccupied or under-utilized that represents an adverse influence on the area because of the frequency, extent or duration of the vacancies.

The Pheasant Run Resort and golf course are both permanently closed, and most of the resort recently destroyed by the Fire. Prior to its permanent closure, the Pheasant Run Resort had been operating at occupancy rates well below industry standards for success for several years. This was partly due to the fact that all corporate bookings had been lost for several years, because of the resort's declining buildings' and grounds' physical condition and obsolescence. In addition, the resort bookings associated with the golf course had also declined, since the golf course lost much of its market appeal, especially for dedicated golfers who had better options elsewhere.

Wedding bookings had also fallen below industry standards for resorts like this, again, due to the deteriorating conditions of the property. Also contributing to low occupancy rates was the permanent closure of two of the two-story guest wings. The resort had originally operated with 474 guest rooms, and now none are in operation, and most are destroyed. Prior to the resort's permanent closure, the resort's four restaurants had been open only sporadically throughout the year, depending on room occupancy and utilization.

6. Presence of Structures Below Minimum Code Standards. All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.

A significant portion of the structures within the Study Area has been destroyed by the Fire. Prior to that time, in May, 2020, the City's Building and Code Enforcement Division had found numerous violations including, but not limited to:

- Front canopy partially collapsed due to roof leaks which led to rotting wood trusses.
- Possible structural deficiencies with the roof due to extensive water damage and leaks over the kitchen.
- Multiple holes in the roof in the kitchen and pool area, actively leaking during rain events.
- Due to the roof leaks there are multiple areas of standing water on the floor.
- Underside of metal roof in kitchen showing signs of rust and possible structural issues.
- Entire facility has electrical issues from open boxes with wiring hanging out and outlets missing cover plates.
- Pump in main lodge does operate but the electrical feed is not correct. Ownership stated this would not be repaired due to cost.
- Fire alarm is operational but has multiple trouble alarms for smoke detectors, fire pump, sprinkler system flow switch.
- Fire alarm panel does not send notification to Tri-Comm to provide alert of fire alarm activation.
- Some doors do not allow Fire Department access because they are chained and padlocked. Fire Department is working with maintenance to address this issue.
- A fire watch advised by the Fire Department due to fire alarm issue.

Since May 2020, the City has continued to monitor the conditions of the buildings in the Study Area. As described previously, in the Fall of 2020, Nicor had shut off its gas service to the property due to gas leaks within the building, making the fire suppression system unusable in freezing weather. This resulted in the City's imposition on the owners of a requirement for 24/7 fire watch. In addition, deterioration within the resort complex had led to the electric service through the site being shut off due to safety issues as portions of the system were no longer safe to energize. In January 2021, the City's building and code enforcement department posted a notice that the building is unsafe for occupancy. In January 2022, windows in the tower building were boarded

up due to windows broken by vandalism. According to the City, this vandalism to the windows has continued.

7. Inadequate Utilities - Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the Redevelopment Project Area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the Redevelopment Project Area.

The Pheasant Run Resort property's underground utilities are either deteriorated, antiquated, obsolete, insufficient, or in disrepair based on prior reports by management when the resort was still open. In addition, the RPA is located at the far east end of the City's utility systems and modernizing these services will require significant extension of main lines and all utilities to service the property. Compounding these conditions is the fact that the Study Area is served by its own private utility systems which is not sized for sufficient capacity to serve redevelopment of the Study Area.

Water Service

No public water infrastructure exists for the Study Area. The water supply for the former Pheasant Run resort and golf course came from three original proprietary on-site deep-water wells. One of those wells was dedicated to the golf course. Of the remaining two, according to former management, one had failed, so that only one well eventually served the entire resort. Offsite public water service will need to be extended and improved comprehensively as the site is redeveloped. Specifically, water main will need to be extended into the property and looped to provide adequate water pressure for the Study Area. This existing water main infrastructure on the west side of Kautz Road will need to be upgraded to a high capacity main (from a 12" to a 16" main) to feed the main distribution points into the Study Area.

Sanitary Sewer

No public sanitary sewer infrastructure exists for the Study Area. A private sanitary sewer lift station system previously served the Study Area. According to City officials, this system is deteriorated, and the lift station does not appear to be in working order. Public sanitary sewer service exists offsite and will need to be extended and improved comprehensively as the site is redeveloped. Specifically, due to the topography of the Study Area relative to the depth of the public sewer on Kautz Road, sanitary sewer lift stations will be necessary to provide sewer service to the Study Area. The Study Area is served by the City's main Fox River Treatment plant. Trunk sewer mains serving the far east side of St. Charles, which extend east to Kautz Road and then north along Kautz, along the frontage of the property, are undersized to accommodate future development in the area and require replacement with larger mains. Some of this additional capacity is needed to serve the Study Area.

Storm Sewer

There is no stormwater management system specifically designed for the Study Area. Rather, the pond system that exists through the golf course has been adapted to provide drainage and some volume to store stormwater that enters the system. This system does not meet current standards for

design and would need to be reengineered and or replaced upon any redevelopment of the property, since the topography of the golf course will no longer be able to be relied upon to control storm water. In addition, the resort's storm water management system is connected to the now abandoned outdoor pool, which is an outmoded method for managing storm water.

Electrical Service

The City of St. Charles has its own municipal electric utility that is the exclusive service provider within its corporate limits. City codes and policies require that all costs to provide service to a property are the responsibility of the customer, to be paid upfront, including costs to design and install the service up to where the service is connected to a building. For larger development projects, this includes network extensions to provide service to an area or subdivision or to complete a loop to connect two locations for redundant service, such as for the redevelopment of the Study Area. As a municipal utility, the City is not able to share costs or defer costs based on future customer usage.

The electric system that had served the RPA is antiquated. The properties are served from a single feed at the corner of Kautz & Rt. 64, and power is fed through the site through a system of private infrastructure. While the City has limited information about how this private infrastructure was designed or maintained, its age/condition is similar to the Pheasant Run resort buildings. Deterioration within the resort complex had recently led to the electric service through the site being shut off as safety issues and portions of the system are no longer safe to energize. Eventual redevelopment of the Study Area will require a significant service size increase due to the high electric demands associated with any future development. Because the site has existed as golf course, no new system capacity has been planned or allocated for the development of the Study Area. This substantial upgrade to provide service to the RPA is an extraordinary cost for any development project. Without this service upgrade, the site cannot be redeveloped. In order to extend an adequately sized service to the Study Area, new, large capacity cables will need to be extended from two different off-site substations.

8. Deleterious Land-Use or Layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive or unsuitable for the surrounding area.

The recent destruction of a significant portion of the Study Area by the Fire, and the resulting debris which remains in place, as well as the chronic vandalism that preceded the Fire and continues to occur makes the Study Area noxious, offensive and unsuitable for the surrounding area. In addition, the absence of maintenance of the golf course grounds since its closure also contributes to the Study Area's deleterious land use.

9. Lack of Ventilation, Light, or Sanitary Facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the

absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

The recent destruction of a significant portion of the Study Area by the Fire, and the resulting debris which remains in place, as well as the chronic vandalism that preceded the Fire and continues to occur has created an absence of adequate ventilation for light or air circulation and requires the removal of all of the debris related to the Fire and vandalism. The Fire and vandalism has also created inadequate sanitary facilities including inadequate garbage storage, inadequate bathroom facilities, inadequate hot water, and structural inadequacies that prevent ingress and egress to and from all rooms and units within the buildings.

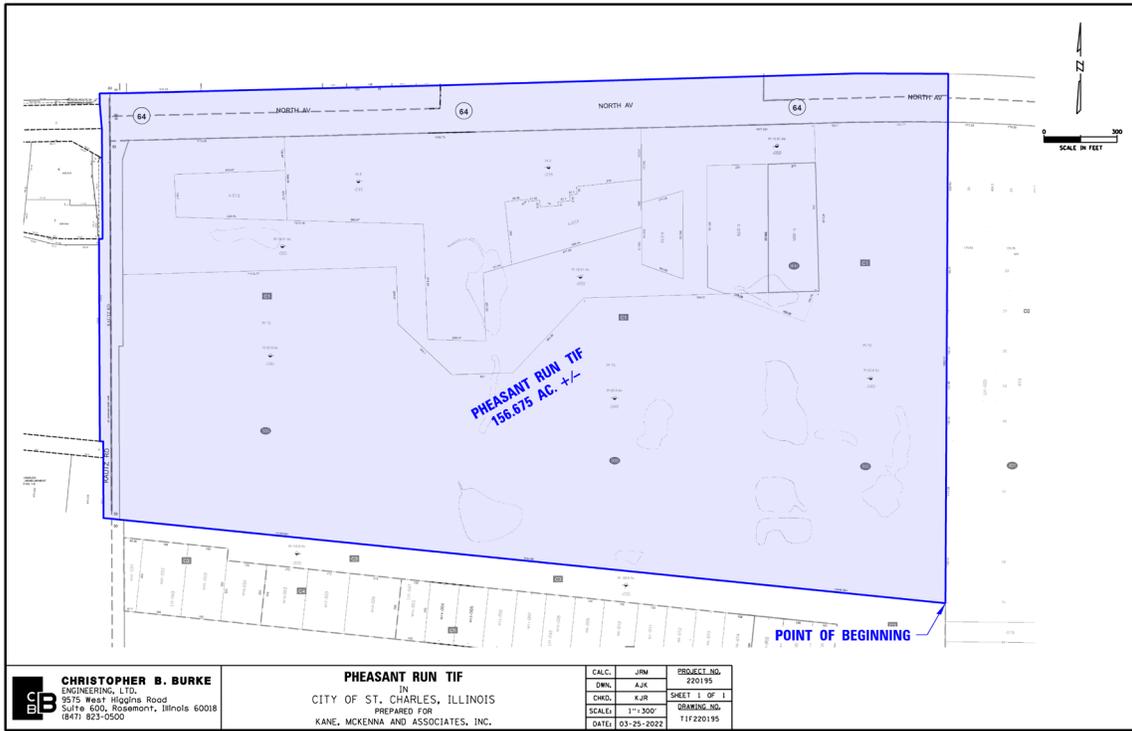
V. SUMMARY OF FINDINGS; GENERAL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to the City's potential designation of the proposed TIF District.

1. The area is contiguous and is greater than 1½ acres in size;
2. The proposed TIF District will qualify as a Blighted Improved Area. Further, the Blighted Improved Area factors found in the RPA are present to a meaningful extent and are reasonably distributed throughout the area. A more detailed analysis of the qualification findings is outlined in Section IV. of this report;
3. All property in the area would substantially benefit by the proposed redevelopment project improvements;
4. The sound growth of taxing districts applicable to the area, including the City, has been impaired by the factors found present in the area; and
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

In the judgment of KMA, these findings provide the City with sufficient justification to consider designation of the property as a TIF District.

Exhibit A
Boundary Map



CB
CHRISTOPHER B. BURKE
 ENGINEERING, LTD.
 5575 West Higgins Road
 Suite 600, Rosemont, Illinois 60018
 (847) 823-0500

PHEASANT RUN TIF
 IN
 CITY OF ST. CHARLES, ILLINOIS
 PREPARED FOR
 KANE, MCKENNA AND ASSOCIATES, INC.

CALC.	JPM	PROJECT NO.
CHKD.	JKK	220195
SCALE	1"=300'	SHEET 1 OF 1
DATE	03-25-2022	DRAWING NO.
		TIF220195

ST CHARLES\Z20195\SURVEY\TIF220195L.SHP

Exhibit B
Tax Parcel List

**PHEASANT RUN TIX INCREMENT FINANCING DISTRRICT
TAX PARCELS**

01-30-300-015

01-30-300-016

01-30-300-017

01-30-300-018

01-30-300-019

01-30-300-048

01-30-300-049

01-30-300-050

01-30-300-051

01-30-300-052

01-30-300-053

01-30-300-055

01-30-300-056

01-30-400-005

EXHIBIT D
EXISTING LAND USE MAP

EXHIBIT E
FUTURE LAND USE MAP

City of St. Charles, Illinois
Ordinance No. _____

**AN ORDINANCE OF THE CITY OF ST. CHARLES,
KANE AND DUPAGE COUNTIES, ILLINOIS, DESIGNATING THE
PHEASANT RUN REDEVELOPMENT PROJECT AREA OF SAID CITY
A REDEVELOPMENT PROJECT AREA PURSUANT TO THE
TAX INCREMENT ALLOCATION REDEVELOPMENT ACT**

**Presented & Passed by the
City Council on _____**

WHEREAS, it is desirable and in the best interest of the citizens of the City of St. Charles, Kane and DuPage Counties, Illinois (the “City”), for the City to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the “Act”), for a proposed redevelopment plan and redevelopment project (the “Plan and Project”) within the municipal boundaries of the City and within a proposed redevelopment project area (the “Area”) described in Section 1 of this Ordinance; and

WHEREAS, the City Council of the City has heretofore by ordinance approved the Plan and Project, which Plan and Project were identified in such ordinance and were the subject, along with the Area designation hereinafter made, of a public hearing held on January 3, 2023, and it is now necessary and desirable to designate the Area as a redevelopment project area pursuant to the Act.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, as follows:

Section 1. Area Designated. That the Area, as legally described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference, is hereby designated as a redevelopment project area pursuant to Section 11-74.4-4 of the Act. The general street location for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

Section 2. Invalidity of Any Section. That if any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 3. Superseder and Effective Date. That all ordinances, resolutions, motions, or orders in conflict herewith shall be, and the same hereby are, repealed to the extent of such

conflict, and this Ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

PRESENTED to the City Council of the City of St. Charles, Illinois, this 6th day of February, 2023.

PASSED by the City Council of the City of St. Charles, Illinois, this 6th day of February, 2023.

APPROVED by the Mayor of the City of St. Charles, Illinois, this 6th day of February, 2023.

Lora A. Vitek, Mayor

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

EXHIBIT A

Legal Description

Proposed Pheasant Run TIF District - Legal Description

THAT PART OF THE EAST HALF OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN IN KANE COUNTY, ILLINOIS ALONG WITH THAT PART OF SECTION 30, TOWNSHIP 40 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN IN DUPAGE COUNTY, ILLINOIS BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF PHEASANT RUN RESORT ASSESSMENT PLAT #2, AS RECORDED APRIL 6, 2021 AS DOCUMENT NO. R2021-054229;

THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2 AND THE WESTERLY EXTENSION THEREOF TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF KAUTZ ROAD;

THENCE NORTHERLY ALONG SAID WEST RIGHT-OF-WAY LINE OF KAUTZ ROAD AND THE NORTHERLY EXTENSION THEREOF TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF ILLINOIS ROUTE 64 (AKA MAIN STREET);

THENCE EAST ALONG SAID NORTH RIGHT-OF-WAY LINE OF ILLINOIS ROUTE 64 (AKA MAIN STREET) TO A POINT OF INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EASTERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2;

THENCE SOUTHERLY ALONG SAID NORTHERLY EXTENSION AND THE EASTERLY LINE OF SAID PHEASANT RUN RESORT ASSESSMENT PLAT #2 TO THE POINT OF BEGINNING

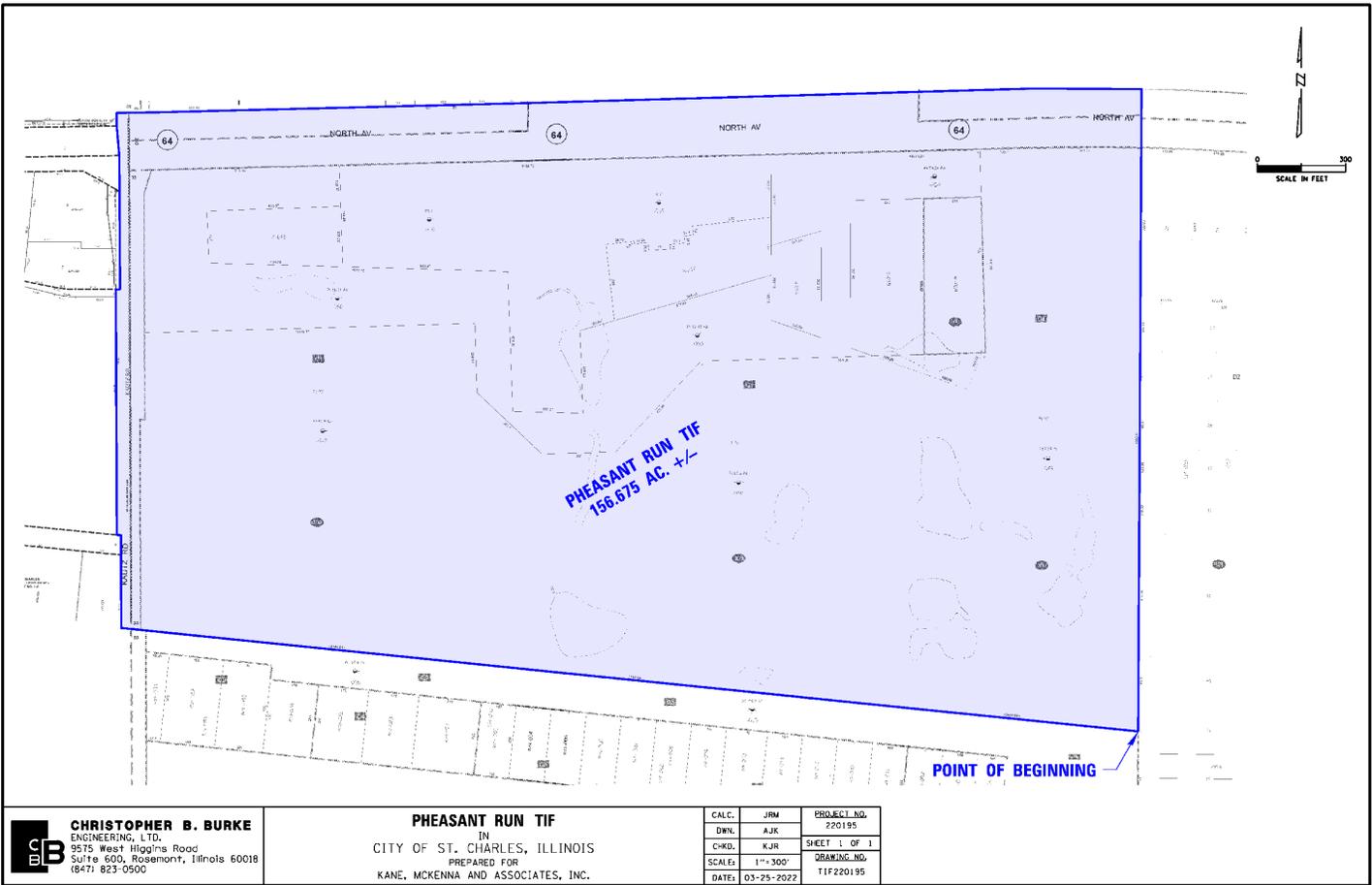
EXHIBIT B

General Street Location

The Redevelopment Project Area is generally described as the former Pheasant Run Resort and Golf Course properties located along the south side of Main Street (a/k/a North Avenue/Illinois Route No. 64) between Keil Road to the east and Kautz Road to the west.

EXHIBIT C

Proposed Pheasant Run TIF District Boundary Map



S:\STCHARLES\220195\SURVEY\TIF220195A.SUR

CB
CHRISTOPHER B. BURKE
 ENGINEERING, LTD.
 9575 West Higgins Road
 Suite 600, Rosemont, Illinois 60018
 (847) 823-0500

PHEASANT RUN TIF
 IN
 CITY OF ST. CHARLES, ILLINOIS
 PREPARED FOR
 KANE, MCKENNA AND ASSOCIATES, INC.

CALC.	JRM	PROJECT NO.	220195
DRAWN	AJK	SHEET	1 OF 1
CHECKED	KJR	DRAWING NO.	TIF220195
SCALE	1"=300'	DATE	03-25-2022

City of St. Charles, Illinois
Ordinance No. _____

**AN ORDINANCE OF THE CITY OF ST. CHARLES,
KANE AND DUPAGE COUNTIES, ILLINOIS, ADOPTING TAX
INCREMENT ALLOCATION FINANCING FOR THE
PHEASANT RUN REDEVELOPMENT PROJECT AREA**

**Presented & Passed by the
City Council on _____**

WHEREAS, it is desirable and in the best interest of the citizens of the City of St. Charles, Kane and DuPage Counties, Illinois (the “City”), for the City to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the “Act”); and

WHEREAS, the City Council of the City has heretofore approved a redevelopment plan and project (the “Plan and Project”) as required by the Act by passage of an ordinance and has heretofore designated a redevelopment project area (the “Area”) as required by the Act by the passage of an ordinance and has otherwise complied with all other conditions precedent required by the Act.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, as follows:

Section 1. Tax Increment Financing Adopted. That tax increment allocation financing is hereby adopted to pay redevelopment project costs as defined in the Act and as set forth in the Plan and Project within the Area as legally described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The general street location for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted in Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

Section 2. Allocation of Ad Valorem Taxes. That pursuant to the Act, the *ad valorem* taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 11-74.4-9(c) of the Act each year after the effective date of this Ordinance until the Project costs and obligations issued in respect thereto have been paid shall be divided as follows:

- a. That portion of taxes levied upon each taxable lot, block, tract, or parcel of real property that is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real

property in the Area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

b. That portion, if any, of such taxes that is attributable to the increase in the current equalized assessed valuation of each lot, block, tract, or parcel of real property in the Area shall be allocated to and when collected shall be paid to the Treasurer of the City of St. Charles, who shall deposit said taxes into a special fund, hereby created, and designated the “Pheasant Run Redevelopment Project Area Special Tax Allocation Fund” of the City. Such taxes shall be used for the purpose of paying Project costs and obligations incurred in the payment thereof.

Section 3. Invalidity of Any Section. That if any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 4. Superseder and Effective Date. That all ordinances, resolutions, motions, or orders in conflict herewith shall be, and the same hereby are, repealed to the extent of such conflict, and this Ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

PRESENTED to the City Council of the City of St. Charles, Illinois, this 6th day of February, 2023.

PASSED by the City Council of the City of St. Charles, Illinois, this 6th day of February, 2023.

APPROVED by the Mayor of the City of St. Charles, Illinois, this 6th day of February, 2023.

Lora A. Vitek, Mayor

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

EXHIBIT A

Legal Description

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EXHIBIT B

General Street Location

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