

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

FY 2020

Name of Redevelopment Project Area (below):
 Forest Hills Road TIF

Primary Use of Redevelopment Project Area*: Combination/Mixed

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

If "Combination/Mixed" List Component Types: Industrial and Commercial

Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):
 Tax Increment Allocation Redevelopment Act
 Industrial Jobs Recovery Law

Please utilize the information below to properly label the Attachments.

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

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))
Provide an analysis of the special tax allocation fund.

FY 2020

Forest Hills Road TIF

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 66,553

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 92,786	\$ 211,862	92%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ -	\$ -	0%
Land/Building Sale Proceeds	\$ -	\$ -	0%
Bond Proceeds	\$ -	\$ -	0%
Transfers from Municipal Sources	\$ 13,096	\$ 18,114	8%
Private Sources	\$ -	\$ -	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ -	0%

All Amount Deposited in Special Tax Allocation Fund \$ 105,882

Cumulative Total Revenues/Cash Receipts \$ 229,976 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 86,682

Transfers to Municipal Sources \$ -

Distribution of Surplus

Total Expenditures/Disbursements \$ 86,682

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 19,200

Previous Year Adjustment (Explain Below) \$ -

FUND BALANCE, END OF REPORTING PERIOD* \$ 85,753

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

Previous Year Explanation:

FY 2020

TIF NAME:

Forest Hills Road TIF

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment project costs)

PAGE 1

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
		\$ -
2. Annual administrative cost.		
Nicolosi-Galluzzo - legal	5,115	
Galluzzo Law Group - legal	8,245	
		\$ 13,360
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
		\$ -
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
DYN/Kishwaukee-payment under redevelopment agreement	73,322	
		\$ 73,322
6. Costs of the construction of public works or improvements.		
		\$ -

SECTION 3.2 A

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 86,682

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

FY 2020

TIF NAME:

Forest Hills Road TIF

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

X

Check here if no property was acquired by the Municipality within the Redevelopment Project Area.

Property Acquired by the Municipality Within the Redevelopment Project Area.

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

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

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

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

Property (5):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (6):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (7):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (8):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

FY 2020

TIF Name:

Forest Hills Road TIF

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.**Select ONE of the following by indicating an 'X':**

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan:	1

LIST **ALL** projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 5,108,535	\$ -	\$ -
Public Investment Undertaken	\$ 95,633	\$ 83,089	\$ -
Ratio of Private/Public Investment	53 23/55		0

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: DYN/Kishwaukee LLC

Private Investment Undertaken (See Instructions)	\$ 5,108,535		
Public Investment Undertaken	\$ 95,633	\$ 83,089	
Ratio of Private/Public Investment	53 23/55		0

Project 2*:

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

Project 3*:

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

Project 4*:

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

Project 5*:

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

Project 6*:

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



— GREGORY R. JURY, MAYOR —

March 12, 2021

Office of the Comptroller
Local Government Division
100 W. Randolph, Suite 15-500
Chicago, IL 60601

Re: City of Loves Park Annual TIF Report, Unit Code: 101/020/30
Forest Hills Road TIF

Please accept this letter as my confirmation that the City of Loves Park was, to the best of my knowledge, in compliance with all Tax Increment Financing (TIF) laws as of April 30, 2020.

Sincerely,

A handwritten signature in black ink that reads "Gregory R. Jury". The signature is written in a cursive style.

Mayor Gregory R. Jury
City of Loves Park



6735 Vistagreen Way Suite 110 | Rockford, IL 61107-5643
815.265.6464 | www.aghllaw.com

March 18, 2021

Illinois Office of the Comptroller
Local Government Division
100 W. Randolph Street, Suite 15-500
Chicago, IL 60601

Re: *Opinion of Counsel, City of Loves Park - Fiscal Year 2020 Forest Hills Road TIF*

To Whom It May Concern:

I, Gino Galluzzo, do hereby certify that I am duly qualified and acting Attorney of the City of Loves Park, Illinois, and as City Attorney, I am of the opinion, based on information furnished to me by the Treasurer's Office of the City, that the City has complied with the legal requirements of the Tax Increment Allocation Redevelopment Act during the fiscal year beginning May 1, 2019 and ending April 30, 2020, with regards to the Forest Hills Road TIF.

Sincerely,

ALLEN GALLUZZO HEVRIN LEAKE, LLC

A handwritten signature in black ink, appearing to read 'Gino Galluzzo', written over a horizontal line.

Gino Galluzzo
(815) 265-6142
ggalluzzo@aghllaw.com

Attachment D

Forest Hills Road TIF

- The City of Loves Park entered into a redevelopment agreement with Batteries Plus of Rockford. The Batteries Plus of Rockford project has been completed, and includes the following: Façade improvements (painting of the exterior and tuckpointing of cracks in the wall) and reconstruction of the parking lot.

1

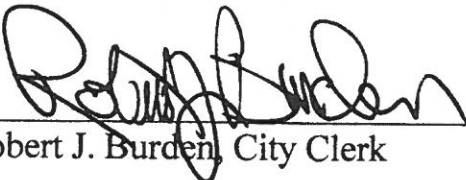
CITY OF LOVES PARK

ORDINANCE NO. 4308-19

**AN ORDINANCE AUTHORIZING THE CITY OF LOVES PARK
TO ENTER INTO A REDEVELOPMENT AGREEMENT WITH
BATTERIES PLUS OF ROCKFORD, INC.**

**ADOPTED BY THE MAYOR AND CITY COUNCIL
OF THE CITY OF LOVES PARK, ILLINOIS,
THIS 11TH DAY OF NOVEMBER, 2019**

**Published in Pamphlet Form by
authority of the Mayor and City Council
of the City of Loves Park, Illinois, this
20th day of November, 2019.**



Robert J. Burden, City Clerk

ORDINANCE NO. 4308-19

AN ORDINANCE AUTHORIZING THE CITY OF LOVES PARK TO ENTER INTO A REDEVELOPMENT AGREEMENT WITH BATTERIES PLUS OF ROCKFORD, INC.

WHEREAS, the City of Loves Park ("City") is a duly organized and existing municipality created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code, as supplemented and amended from time to time; and

WHEREAS, the City has duly established "Forest Hills Redevelopment Project Area" under the provisions of the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 *et seq.* ("IJRL Law"), within which Forest Hills Redevelopment Project Area the City has implemented Tax Increment Financing; and

WHEREAS, the City has duly established the "Forest Hills Road Business District" under the provisions of the Business District Development and Redevelopment Law, 65 ILCS 5/11-74.3 *et seq.* ("BDD Law"), within which Forest Hills Road Business District the City has implemented a 1% Retailers' Occupation Tax and Service Occupation Tax; and

WHEREAS, the City is authorized under the provisions of the IJRL Law and the BDD Law to enter into agreements which are necessary or incidental to the implementation of the redevelopment plan and project for the Forest Hills Redevelopment Project Area and the Forest Hills Road Business District; and

WHEREAS, Batteries Plus of Rockford, Inc., an Illinois corporation ("Developer") intends to improve certain real property located within the Forest Hills Redevelopment Project Area and the Forest Hills Road Business District ("Developer Property"); and

WHEREAS, the City has entered into negotiations with Developer for the purposes of drafting a redevelopment agreement to assist with the improvements of the Developer's property; and

WHEREAS, The City has determined that the execution of such a redevelopment agreement with the Developer is in the best interests of the City.

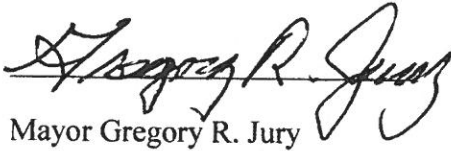
NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF LOVES PARK, WINNEBAGO AND BOONE COUNTIES, ILLINOIS, AS FOLLOWS:

1. The above recitals are incorporated herein and made a part hereof.
2. The City hereby approves the execution of that certain redevelopment agreement by and between the City and Developer in substantially the same form as attached hereto as Exhibit "A" ("Redevelopment Agreement").
3. The Mayor is hereby authorized to sign the Redevelopment Agreement as well as any other necessary documentation required to finalize the Redevelopment Agreement.

4. This ordinance shall become effective upon its passage, approval and publication as provided by law.

PASSED by the City Council of the City of Loves Park this 11th day of November, 2019.

APPROVED:


Mayor Gregory R. Jury

ATTEST:



City Clerk Robert J. Burden

PUBLISHED:

In pamphlet form November 20, 2019 as required by Ordinance.

PASSED: November 11, 2019, 9 Ayes (Aldermen Frykman, Peterson, Schlensker, Allton, Warden, Jacobson, Puckett, Little, Pruitt) 1 Absent (Alderman Holmes)

APPROVED: November 20, 2019

**Ordinance
EXHIBIT "A"
Redevelopment Agreement**

REDEVELOPMENT AGREEMENT

This **REDEVELOPMENT AGREEMENT** ("Agreement") dated as of this _____ day of November, 2019 (the "Effective Date"), is made by and between the **CITY OF LOVES PARK**, an Illinois municipal corporation, having its offices at 100 Heart Boulevard, Loves Park, Illinois, 61111 ("City") and **BATTERIES PLUS OF ROCKFORD, INC.**, an Illinois Corporation having its principal office at 1512 East Riverside Boulevard, Loves Park, Illinois 61111, and its affiliates ("Owner").

TIF RECITALS

(FOREST HILLS REDEVELOPMENT PROJECT)

WHEREAS, the City is a duly organized and existing municipality created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code, as supplemented and amended from time to time; and

WHEREAS, the City is authorized under the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 *et seq.* ("TIF Act") to undertake the redevelopment, including but not limited to, the approval of redevelopment plans and projects, of "blighted areas" and "conservation areas" within the City if the conditions specified in the TIF Act are met, and is further authorized to implement tax increment allocation financing ("TIF") to pay the costs of such redevelopment permitted under the TIF Act; and

WHEREAS, the City has determined that it is in the best interests of the City to redevelop certain real property within the City legally described in Exhibit "A" ("Forest Hills Road TIF District"), attached hereto and made a part of this Agreement, pursuant to its Redevelopment Plan, as such term is defined in the TIF Act; and

WHEREAS, on September 23, 2013, the City adopted a Resolution Expressing the Official Intent of the City regarding the negotiation of one or more Redevelopment Agreements and the Reimbursement of Certain Expenditures in connection with the Forest Hills Road TIF District; and

WHEREAS, on October 28, 2013, the City Council adopted Resolution No. 13-115, which, in accordance with the terms and conditions of the TIF Act, set the time and date for a Joint Review Board Meeting, and a Public Hearing and provided for the mailing of certain notices, as such items are defined under and required by the TIF Act; and

WHEREAS, on November 20, 2013, the City convened a meeting of the Joint Review Board ("JRB") to review the feasibility study and other planning documents related to the Redevelopment Project Area and the Redevelopment Plan prepared by the City dated May 2013, and the majority of the JRB members found the Redevelopment Project Area and Redevelopment Plan met the requirements of the TIF Act and approved both the Redevelopment Project Area and the Redevelopment Plan; and

WHEREAS, the City, in accordance with the TIF Act, conducted a public hearing with respect to the Redevelopment Plan and the Redevelopment Project Area on December 16, 2013; and

WHEREAS, following the December 16, 2013 public hearing, the City elected to expand the Redevelopment Project Area which, pursuant to the TIF Act, required an amendment to the Redevelopment Plan, a reconvening of the Joint Review Board and an additional public hearing to evaluate the proposed expanded Redevelopment Project Area; and

WHEREAS, on March 24, 2014, the City Council adopted Resolution No. 14-029, which, in accordance with the terms and conditions of the TIF Act, set the time and date for a reconvened Joint Review Board Meeting, and a second public hearing and provided for the mailing of certain notices, as such items are defined under and required by the TIF Act; and

WHEREAS, on April 9, 2014, the City reconvened the meeting of the JRB to review the feasibility study and other planning documents related to the expanded Redevelopment Project Area and the amended Redevelopment Plan prepared by the City dated March 2014, and the majority of the JRB members found the expanded Redevelopment Project Area and the amended Redevelopment Plan met the requirements of the TIF Act and approved both the expanded Redevelopment Project Area and the Redevelopment Plan, as amended; and

WHEREAS, the City, in accordance with the TIF Act, conducted an additional public hearing with respect to the amended Redevelopment Plan and the expanded Redevelopment Project Area on May 14, 2014; and

WHEREAS, the City subsequently found that the Redevelopment Project Area had not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without adoption of the Redevelopment Plan and that the Redevelopment Project Area qualifies as a "conservation area" in accordance with the TIF Act; and

WHEREAS, pursuant to the TIF Act, the City, by Ordinances 3965-14(A), 3966-14(B), and 3967-14(C), adopted by the City Council on June 23, 2014, approved the Redevelopment Plan, designated the Redevelopment Project Area specifically designated as the Forest Hills Road TIF District, and adopted tax increment allocation financing for the Redevelopment Project Area (collectively, the "TIF Ordinances"); and

BUSINESS DISTRICT RECITALS

(FOREST HILLS BUSINESS DISTRICT)

WHEREAS, the City is further authorized under the Business District Development and Redevelopment Law, 65 ILCS 5/11-74.3, *et seq.* ("Business District Act") to undertake

the development, redevelopment, improvement, maintenance and revitalization of properties located within properly formed Business Districts, as that term is defined in the Business District Act, within the City if the conditions specified in the Business District Act are met, and is further authorized to impose Business District Retailer's Occupation Taxes and Business District Service Occupation Taxes to pay the costs of such development, redevelopment, improvement, maintenance and revitalization as permitted under the Business District Act; and

WHEREAS, the City has determined that it is in the best interests of the City to develop and redevelop certain real property within the City legally described in Exhibit "B" ("Forest Hills Road Business District"), attached hereto and made a part of this Agreement, pursuant to its Redevelopment Plan for the Forest Hills Road Business District, as such term is defined in the Business District Act; and

WHEREAS, on October 5, 2015, the City expressed its intent to establish a "business district" and adopt a "redevelopment plan" for the proposed Forest Hills Road Business District in that area legally described in Exhibit "B" pursuant to the Business District Act by adopting and approving Resolution 15-114, expressing the official intent of the City regarding certain redevelopment costs to be incurred in connection with the redevelopment of the proposed Forest Hills Business District; and

WHEREAS, on March 21, 2016, pursuant to and in accordance with the provisions of the Business District Act, the City Council held a public hearing to consider the establishment of a business district and the adoption of a redevelopment plan for such business district;

WHEREAS, the City Council has determined that the Forest Hills Business District: (i) is a "blighted area" as defined in the Act; (ii) constitutes an economic liability to the City in its present condition and use; and (iii) on the whole has not been subject to growth and development by private enterprises and would not reasonably be anticipated to be developed or redeveloped without the adoption of the Forest Hills Road Business District Redevelopment Plan; and

WHEREAS, pursuant to the Business District Act, the City, by Ordinances 4075-16, 4076-16 and 4077-16, adopted by the City Council on March 28, 2016, approved the Redevelopment Plan for the Forest Hills Road Business District, designated the Forest Hills Road Business District, and imposed a 1% Retailers' Occupation Tax and Service Occupation Tax within the Forest Hills Road Business District; and

WHEREAS, the Owner holds title to real property that is located within both the Forest Hills Road TIF District and the Forest Hills Road Business District, which property is described in "Exhibit C" attached hereto and made a part hereof ("Owner Property"); and

WHEREAS, Owner proposes to redevelop the Owner Property by performing the improvements identified in Exhibit "D", attached hereto and made a part hereof (collectively referred to as the "Owner Project"); and

WHEREAS, Owner has represented to the City that it would not be able to undertake development and redevelopment of the Owner Property with the Owner Project in an economically feasible manner, and that it would not undertake such development and redevelopment, unless it is reimbursed a portion of its costs associated with the Owner Project; and

WHEREAS, the City now desires to enter into this Redevelopment Agreement with the Owner and agrees to use certain TIF increment generated from the Forest Hills Road TIF District as well as certain sales tax revenues generated from the Forest Hills Road Business District to defray certain costs of the Owner Project, to the extent such costs qualify for reimbursement pursuant to the TIF Act and/or the Business District Act.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the City and Owner agree as follows:

**ARTICLE I.
INCORPORATION OF RECITALS**

1.1. The Recitals set forth above are an integral part of this Agreement and by this reference incorporated herein.

**ARTICLE II.
REPRESENTATIONS AND WARRANTIES**

2.1. **Representations and Warranties of Owner.** To induce the City to execute this Agreement and perform the obligations of City hereunder, Owner hereby represents and warrants to the City as follows:

2.1.1. Owner is a duly organized and existing corporation in good standing under the laws of the State of Illinois;

2.1.2. No litigation or proceedings are pending, or to the best of Owner's knowledge, are threatened against Owner, which could: (i) affect the ability of Owner to perform its obligations pursuant to and as contemplated by the terms and provisions of this Agreement; or (ii) which materially affect the operation or financial condition of Owner;

2.1.3. To the best of Owner's knowledge, the execution, delivery and performance by Owner of this Agreement does not constitute, or will not, upon giving of notice or lapse of time, or both, constitute a breach or default under any other agreement to which Owner is a party to or may be bound under; and

2.1.4. The party executing this Agreement on behalf of Owner has been duly authorized by all appropriate action to enter into, execute, and deliver this Agreement and bind Owner to perform the terms and obligations contained herein.

2.2. **Representations and Warranties of the City.** To induce the Owner to execute this Agreement and to perform the Owner's obligations hereunder, the City hereby represents and warrants to the Owner as follows:

2.2.1. The City is an Illinois municipal corporation duly incorporated and existing under the laws of the State of Illinois and is authorized to and has the power to enter into, and by proper action has been duly authorized to execute this Agreement.

2.2.2. Neither the execution and delivery of this Agreement by the City, the consummation of the transactions contemplated hereby by the City, nor the fulfillment of or compliance with the terms and conditions of this Agreement by the City conflicts with or will result in a breach of any of the terms, conditions or provisions of any offerings or disclosure statement made or to be made on behalf of the City or any other agreement to which the City is a party.

2.3. **Survival of Representations and Warranties.** The Parties agree that all of their respective representations and warranties set forth in this Article and elsewhere in this Agreement are true as of the execution date of this Agreement and shall survive for the term of this Agreement.

ARTICLE III. OWNER OBLIGATIONS

3.1. **Completion of Owner Project.** Notwithstanding anything to the contrary in this Agreement, the City shall not be obligated to make any payments to the Owner if the Owner Project is not completed prior to June 1, 2020.

3.2. **Plans and specifications.** The Owner Project shall conform to all applicable legal requirements, including but not limited to, the City's Code of Ordinances, and any state, federal or agency regulations applicable to the Owner Project. All site, landscaping, architectural and engineering drawings and specifications (the "Plans") typically required for the Owner Project shall be submitted by Owner at its sole cost and expense and such Plans shall be reviewed and processed by the City or its designee. Such Plans shall conform to all federal, State and City laws and ordinances concerning the rights of accessibility for the physically disabled, the provision of adequate parking and concerning environmental issues. For the limited purpose of this Agreement, the requirements of this paragraph shall be deemed to have been met if the Owner constructs the improvements in accordance with Plans for which building permits are issued by the City.

3.3. **Use of Land.** Owner intends that the Owner Property shall continue to be utilized for retail, commercial and/or other uses allowed by zoning.

ARTICLE IV.
TAX INCREMENT FINANCING ECONOMIC INCENTIVES

4.1. **Tax Increment Financing of Redevelopment Project Costs.** Owner has represented to the City that, but for tax increment financing assistance from the Forest Hills Redevelopment Project Area, the Owner Project would not be economically viable. The Parties agree that TIF increment, implemented in accordance with the terms and provisions of this Agreement and the TIF Act, shall be a source of funding for the Owner Project in order to make the Owner Project economically viable. The City shall provide for the segregation of the incremental real estate taxes generated within the Forest Hills Redevelopment Project Area as determined in accordance with this Agreement and Section 5/11-74.4-8 of the TIF Act, into a special tax allocation fund created by the City for the Forest Hills Redevelopment Project Area.

4.2. **Available Property Tax Increment.** For the purposes of this Agreement, the term “Available Property Tax Increment” means one hundred percent (100%) of all increment funds paid to the City pursuant to the TIF Act which are derived from properties within the Forest Hills Redevelopment Project Area that are not otherwise committed for distribution pursuant to redevelopment agreements existing prior to this Agreement. For the purposes of this Agreement, the terms “Special Tax Allocation Fund” or “STAF” means the separate City account into which the Property Tax Increment, the City Increment and other increment taxes generated within the Forest Hills Redevelopment Project Area are segregated for distribution in accordance with this Agreement.

4.3. **Pledge of Available Property Tax Increment.** Subject to the requirements of Section 4.4 of this Agreement, the City hereby pledges and agrees to provide Owner with up to a maximum amount of Ten Thousand and no/100ths Dollars (\$10,000) of Available Property Tax Increment to reimburse Owner for its eligible “Redevelopment Project Costs”, as that term is defined in the TIF Act (“Owner Eligible Redevelopment Project Costs”) in accordance with Section 4.4 of this Agreement to the extent the same were incurred for the Owner Project. The City represents that adequate Available Property Tax Increment is in the STAF for payment of the amount referenced herein this Section 4.3.

4.4. **Authenticating the Owner Eligible Redevelopment Project Costs.** As a condition precedent to receiving reimbursement for Owner Eligible Redevelopment Costs, the Owner shall submit to the City, or its designee, a written statement setting forth the amount of specific Owner Eligible Redevelopment Project Cost for which certification is sought (a “Request for Certification”). Each Request for Certification shall be accompanied by such bills, contracts, invoices, lien waivers or other evidence as the City, or its designee, shall reasonably require evidencing that Owner has incurred the Owner Eligible Redevelopment Project Costs sought to be certified. The City shall have the right to review the content of any and all documents provided by the Owner, or requested by the City, used to support a reimbursement request for Eligible Redevelopment Project costs prior to or after reimbursement payouts. If a Request for Certification is deficient, the City shall notify the Owner of the specific deficiencies. Upon the Owner’s delivery of reasonably sufficient evidence, the City shall certify such costs as reimbursable within sixty (60) days and the same shall be eligible for payment to Owner pursuant to the terms of this Agreement. The City shall have the right to inspect the exterior and interior of any and all existing and new improvements for which reimbursement is sought before, during or after completion.

4.5. **Timing of Payments.** The payment of the Available Property Tax Increment referenced in Section 4.3 will be paid within thirty (30) days of certification of the Redevelopment Project Costs as provided in Section 4.4. Owner Eligible Redevelopment Project Costs which have been reimbursed to Owner will not be subject to reimbursement as Owner Eligible Business District Project Costs.

ARTICLE V. BUSINESS DISTRICT ECONOMIC INCENTIVE

5.1. **Business District Financing of Redevelopment Project Costs.** Owner has represented to the City that, but for business district financing assistance from the Forest Hills Road Business District, the Owner Project would not be economically viable. The Parties agree that such incentive, implemented in accordance with the terms and provisions of this Agreement and the Business District Act shall be a source of funding for the Owner Project to make the Owner Project economically viable. The City shall provide for the accounting segregation of the Business District Retailer's Occupation Taxes and Business District Service Occupation Taxes generated within the Forest Hills Road Business District, as determined in accordance with Section 5/11-74.3-6 of the Business District Act, into a special fund heretofore created by the City for the Forest Hills Road Business District (the "**Business District Fund**") to be held by the City.

5.2. **Business District Sales Tax Revenues.** For the purposes of this Agreement, the term "**Business District Sales Tax Revenues**" shall mean the revenues collected by the Illinois Department of Revenue and received by the City which are the result of that one percent (1.0%) Business District Retailer's Occupation Tax and that one percent (1.0%) Business District Service Occupation Tax levied upon those businesses located on the Owner Property in the Forest Hills Road Business District, and which includes any replacement, substitute or amended taxes, during the life of the Forest Hills Redevelopment Project Area.

5.3. **Pledge of Business District Sales Tax Revenues.** Commencing with the date of this Agreement, the City hereby pledges and agrees to provide Owner with an amount equal to Fifteen Thousand Four Hundred and no/100ths Dollars (\$15,400) of the Business District Sales Tax Revenues generated from within the Forest Hills Road Business District which are not otherwise committed for distribution pursuant to redevelopment agreements existing prior to this Agreement ("**Pledged Sales Tax Revenues**") to reimburse Owner for its eligible "**Business District Project Costs**", as that term is defined in the Business District Act ("**Owner Eligible Business District Project Costs**") in accordance with Section 5.4 of this Agreement to the extent the same were incurred for the Owner Project. The maximum amount of Pledged Sales Tax Revenues ("**Maximum Revenue**") to be paid during the time of this Agreement is Fifteen Thousand Four Hundred and no/100ths Dollars. (\$15,400).

5.4. **Authenticating the Owner Eligible Business District Project Costs.** As a condition precedent to receiving reimbursement for Owner Eligible Business District Project Costs, Owner shall submit to the City, or its designee, a written Request for Certification. Each Request for Certification shall be accompanied by such bills, contracts, invoices, lien waivers or other evidence as the City, or its designee, shall reasonably require evidencing that Owner has incurred the Owner Eligible Business District Project Costs sought to be certified. If a Request for Certification is deficient, the City shall notify the Owner of the specific deficiencies. Upon the Owner's delivery of reasonably sufficient evidence, the City shall certify such costs as reimbursable

within sixty (60) days and the same shall be eligible for payment to Owner pursuant to the terms of this Article. The City shall have the right to inspect the interior and exterior of any improvement for which reimbursement is sought pursuant to this Section 5.

5.5. **Timing of Payments.** The payment of the Pledged Sales Tax Revenues referenced in Section 5.3 will be paid within thirty (30) days of certification of the Owner Eligible Business District Project Costs as provided in Section 5.4. Owner Eligible Business District Project Costs which have been reimbursed to Owner will not be subject to reimbursement as Owner Eligible Redevelopment Costs.

ARTICLE VI. COMPLIANCE WITH LAWS

6.1. **Defense of TIF District and Business District.** In the event that any court or governmental agency having jurisdiction over enforcement of the TIF Act or Business District Act and the subject matter contemplated by this Agreement contests or determines that this Agreement, or payments to be made hereunder are contrary to law, or in the event that the legitimacy of the Forest Hills Redevelopment Project Area and/or the Forest Hills Road Business District is otherwise challenged before a court or governmental agency having jurisdiction thereof, the City and Owner shall reasonably cooperate with each other concerning an appropriate strategy acceptable to both parties to defend the integrity of the Forest Hills Redevelopment Project Area and/or the Forest Hills Road Business District, and this Agreement. Furthermore, each party shall pay their respective legal fees, court costs and other expenses directly related to defense of the Forest Hills Redevelopment Project Area and/or the Forest Hills Road Business District that each party shall incur as a result of defense of the same. The City, however, shall be entitled to reimbursement of its attorneys' fees and litigation costs, including expert witness fees, from the TIF District revenues which reimbursement shall have priority to any TIF reimbursements to Owner. In the event of an adverse lower court or agency ruling, payments shall be suspended during the pendency of any appeal thereof, but such payments shall be reinstated retroactively if such adverse ruling is reversed by the reviewing court or agency. The City shall not seek to set aside, or otherwise challenge, its obligations under this Agreement during the pending of any appeal.

6.2. **Compliance with Law.** Neither Owner nor any of its contractors, subcontractors or material suppliers shall discriminate based upon race, color, religion, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military status parental status or source of income in the construction of the Owner Project and shall comply with any and all federal, state and local laws, statutes, ordinances or regulations with regard to non-discrimination in the construction of the Owner Project.

6.3. **Prevailing Wage.** Where required by law, the Owner shall pay no less than the prevailing rate of wages as found by the City or the State of Illinois or as determined by a court of competent jurisdiction upon review to all laborers, workers and mechanics performing under any contract entered into with Owner or any of Owner's subcontractors in relation to the construction relating to the Owner Project.

**ARTICLE VII.
DEFAULT REMEDIES**

7.1. **Defaults/Remedies**: If either Party shall default under this Agreement or fail to perform or keep any term or condition required to be performed or kept by such Party, such Party shall, upon written notice from the other party proceed to cure or remedy such default or breach within fifteen (15) days after receipt of such notice, provided, however, that in the event such default is incapable of being cured within said fifteen (15) day period and the defaulting party commences to cure the default within said fifteen (15) day period and proceeds with due diligence to cure the same, such party shall not be deemed to be in default under this Agreement. In the case of a City default, Owner shall have as its sole and exclusive remedy the right of specific performance. In the event of a default by Owner, the City will have all legal and equitable remedies available to it, including suspending payments until the default of Owner is cured or alternatively terminating this Agreement. Notwithstanding the forgoing, the Owner shall not have the ability to cure a default regarding the required completion date identified in Section 3.1 for the Owner Project.

7.2. **Event of Default**. For purposes of the Agreement, the occurrence of any one or more of the following shall constitute an "**Event of Default**":

7.2.1. If, at any time, any material term, warranty, representation or statement made or furnished by City or Owner (including the representations and warranties of Owner described herein) is not true and correct in any material respect because of which the Owner is unable to fulfill its obligations hereunder; or

7.2.2. If any petition is filed by or against City or Owner under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereinafter existing (and in the case of involuntary proceedings, failure to cause the same to be vacated, stayed or set aside within ninety (90) days after filing); or

7.2.3. Any assignment, pledge, encumbrance, transfer or other disposition which is prohibited under this Agreement.

7.3. **Waiver and Estoppel**. Any delay by City or Owner in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not operate as a waiver of such rights or operate to deprive City or Owner of or limit such rights in any way. No waiver made by City or Owner with respect to any specific default shall be construed, considered or treated as a waiver of the rights of City or Owner with respect to any other defaults.

**ARTICLE VIII.
PERFORMANCE**

8.1. **Obligations of City**. The obligations contained within this Agreement are not Full Faith and Credit obligations of the City. All payment obligations on the part of the City contained in this Agreement are contingent upon the City's receipt of Owner Property Tax Increment and Business District Sales Tax Revenues as set forth herein and further subject to the provisions of the TIF Act, the Business District Act and this Agreement.

8.2. **Restrictions on Assignment**: Owner may not assign any, or all, of its rights and obligations under this Agreement without the express prior written consent of the City.

8.3. **Time of the Essence**. Time is of the essence of the Agreement.

ARTICLE IX. GENERAL

9.1. **Drafter Bias**: The parties acknowledge and agree that the terms of this Agreement are the result of on-going and extensive negotiations between the parties, both of whom are represented by separate counsel and that this Agreement is a compilation of said negotiations. As a result, in the event that a court is asked to interpret any portion of this contract, neither of the parties shall be deemed the drafter hereof and neither shall be given benefit of such presumption that may be set out by law.

9.2. **Partnership not intended nor Created**: Nothing in this Agreement is intended nor shall be deemed to constitute a partnership or joint venture between the Parties.

9.3. **Entirety and Binding Effect**: This document represents the entirety of the agreement between the Parties and shall be binding upon them and inure to the benefit of and be enforceable by and against their respective successors, personal representatives, heirs, legatees, and assigns.

9.4. **Survival of Provisions**: If any of the provisions of this Agreement are invalid with any statute or rule of law of the State of Illinois or of any judicial district in which it may be so brought to be enforced, then such provisions shall be deemed null and void to the extent that they may conflict herewith, however the remainder of this instrument and any other application of such provision shall not be affected thereby.

9.5. **Use of Headings**: The clause headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit or extend the scope or intent of the clauses to which they pertain.

9.6. **Amendments and Modifications**: Except as otherwise provided for herein, this Agreement may not be amended, modified, or terminated, nor may any obligation hereunder be waived orally, and no such amendment, modification, termination, or waiver shall be effective for any purpose unless it is in writing, and bears the signatures of all of the Parties hereto.

9.7. **Defaults**: In the event of a default and/or litigation arising out of enforcement of this agreement, each party shall be responsible for their own costs, charges, expenses, and attorney's fees.

9.8. **Indemnification**: Owner agrees and to indemnify and hold the City and its officers, elected and appointed, employees, agents, and attorneys harmless from and against any and all loss, damage, cost, expense, injury, or liability the City may suffer or incur in connection with the failure of the Owner to comply with this Agreement.

9.9. **Notices**: All Notices and requests pursuant to this Agreement shall be sent as follows:

To the Owner:

Batteries Plus of Rockford, Inc.
Attn: Scott M. Lunnon
1512 East Riverside Boulevard
Loves Park, Illinois 61111

To the City:

City of Loves Park
Attn: Mayor
100 Heart Boulevard
Loves Park, IL 61111

With City copy to:

Attorney Gino Galluzzo
Galluzzo Law Group LLC
6735 Vistagreen Way, Suite 210
Rockford, IL 61107

Or at such other addresses as the Parties may indicate in writing to the other either by personal delivery, courier or by certified mail, return receipt requested, with proof of delivery thereof. Mailed Notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

9.10. **Counterparts:** This Agreement may be signed in any number of counterparts, each of which shall be an original, with the main effect as if the signatures thereto and hereto were upon the same instrument.

9.11. **Previous Agreements:** The foregoing is the agreement between the Parties hereto as it now exists at the execution hereof and it is expressly understood, agreed and distinctly acknowledged that all previous communications and negotiation between the Parties, either written or oral, that are not contained herein are hereby withdrawn, nullified, and void.

ARTICLE X.

MONETARY LIMITATION

10.1. **Maximum Reimbursement.** Notwithstanding anything in this Agreement to the contrary, the total amount of money paid to Owner pursuant to the terms of this Agreement shall not exceed Twenty-Five Thousand Four Hundred Dollars (\$25,400).

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE VOLUNTARILY SET THEIR HANDS AND SEALS ON THIS AGREEMENT, AND BY DOING SO HAVE ACKNOWLEDGED THAT THEY HAVE READ THE FOREGOING INSTRUMENT IN ITS ENTIRETY AND ACKNOWLEDGE THAT THE SAME IS A

LEGALLY BINDING AGREEMENT, AND THAT THEY HAVE CONSCIOUSLY EXECUTED THE SAME AS THEIR OWN FREE AND VOLUNTARY ACT AND DO HEREBY SUBMIT TO AND ACKNOWLEDGE THE TERMS AND CONDITIONS HEREIN.

BATTERIES PLUS OF ROCKFORD, INC.
an Illinois Limited Liability Company

CITY OF LOVES PARK,
an Illinois Municipal Corporation

By: _____

By: _____

Its: President

Its: Mayor

ATTEST:

City Clerk

EXHIBIT "A"
Forest Hills Redevelopment Project Area

Block 1

Part of the Southeast Quarter of Section 5, Township 44 North Range 2 East of the Third Principal Meridian bounded and described as follow to-wit:

Beginning at the intersection of the centerline of East Riverside Boulevard and the centerline of Forest Hills Road; thence Southwesterly along the centerline of Forest Hills Road to the intersection of said centerline and the Northerly line of the

Southerly 100 feet of Lot 7 as designated upon the plat of Hamilton Acres the plat of which is recorded in Book 22 of Plats on Page 333 in the Recorder's Office of Winnebago County, Illinois.; thence Northwesterly along the Northerly line of the Southerly 100 feet of Lot 7 to the Easterly right-of-way line of the Chicago and Northwestern Railroad; thence Northeasterly along the Easterly right-of-way line of the Chicago and Northwestern Railroad and said line extended Northeasterly to the centerline of East Riverside Boulevard; thence Easterly along the centerline of East Riverside Boulevard to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Block 2

Part or the West half of Section 5, Township 44 North, Range 2 East of the Third Principal Meridian bounded and described as follows to-wit:

Beginning at the intersection of the Easterly right-of-way line of Forest Hills Road, extended Southwesterly and the centerline of East Riverside Boulevard; thence Westerly along the centerline of East Riverside Boulevard to the Easterly right-of-way line of the Chicago and Northwestern Railroad extended Southerly; thence Northeasterly along said Easterly right-of-way line to the Northerly line of Lot 7 as designated upon the plat of Baudhuin Farms the plat of which is recorded in Book 22 of Plats on Page in the Recorder's Office of Winnebago County, Illinois; thence Easterly along the North line of said Lot 7 to the Southerly line of a Drainage Way as designated upon said plat; thence Southeasterly along the Southerly line of said Drainage Way and said Southerly line extended to the Easterly right-of-way line of Forest Hills Road; thence Southwesterly along the Easterly right-of-way line of Forest Hills Road and said right-of-way line extended to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Block 3

Part of the North half of Section 5, Township 44 North, Range 2 East of the Third Principal Meridian and part of the South half of Section 32, Township 45 North, Range 2 East of the Third Principal Meridian bounded and described as follows to-wit:

Beginning at the point of intersection of the Easterly right-of-way line of Forest Hills Road and the Southerly line, extended Southeasterly, of a Drainage Way as designated upon the plat of Baudhuin Farms the plat of which is recorded in Book 22 of Plats on Page 74 in the Recorder's Office of Winnebago County, Illinois; thence Northwesterly along the South line of said Drainage Way extended Southeasterly and the Southerly line of said Drainage Way to the South line of Lot 8 as designated upon said plat; thence Westerly along the Southerly line of Lot 8 as designated upon said Plat to the Westerly line of said Lot 8; thence Northeasterly along the Westerly line of said lot 8 to the Southwest corner of Lot 9 as designated upon said plat; thence Easterly along the South line of said Lot 9 to a point which lies 50 perpendicularly distant from the Westerly line of said Lot 9 and the Southeasterly corner of a Drainage Way recorded as Document 71-25-1731 in said Recorder's Office; thence Northeasterly, Easterly and Northeasterly along the Easterly, Southerly and Easterly lines of said Drainage Way to the Southwest corner of a Drainage Way recorded as Documents 71-23-1061, 71-23-1062 and 71-23-1063 in said Recorder's Office; thence Northerly along the Easterly line of said Drainage Way, and said Easterly line extended Northerly to the Northerly right-of-way line of Windsor Road; thence Easterly along the Northerly right-of-way line of Windsor Road and said right-of-way line extended Easterly to the centerline of Alpine Road; thence Southerly along the centerline of Alpine Road to the point of intersection of the centerline of Alpine Road and a line which lies between the intersection of the Southerly right-of-way line of Forest Hills Road and the Easterly line of Alpine Road and the Northwest corner of M Dodd Subdivision the plat of which is recorded in Book 49 of Plats on Page 39 in said Recorder's Office; thence Southwesterly along aforesaid line to the Northwest corner of said M Dodd Subdivision; thence Southwesterly along the Easterly right-of-way line of Forest Hills Road to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Block 4

Part of the North half of Section 5, Township 44 North, Range 2 East of the Third Principal Meridian and part of the South half of Section 32, Township 45 North,

Range 2 East of the Third Principal Meridian bounded and described as follows to-wit:

Beginning at the intersection of the Northerly right-of way line of Windsor Road extended Easterly and the Easterly right-of way line of Forest Hills Road; thence southwesterly along the Easterly right-of way line of Forest Hills Road to the intersection of the Northerly right of line of Colby Lane and the Easterly right-of way line of Forest Hills Road; thence Southwesterly to the intersection of the Southerly right-of-way line of Colby Lane and the Easterly right-of-way line of Forest Hills Road; thence Southwest along the Easterly right-of-way line of Forest Hills Road to the Easterly right-of-way line of Alpine Road thence Southwesterly along a line which lies between the intersection of the Easterly right-of way line of Alpine Road and the Southerly right-of—way line of Forest Hills Road and the Northwest corner of M Dodd Subdivision thence Southwesterly along aforesaid line to the centerline of Alpine Road; thence Northerly along the centerline of Alpine Road to the point of intersection of the centerline of Alpine Road and the Northerly right-of-way line of Windsor Road extended Westerly; thence Easterly along the Northerly right-of way line of Windsor Road extended Westerly and Northerly right-of way line of Windsor Road to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Excepting there from the following described premises bounded and described as follows to-wit:

Part of Lots 1, 2,& 3 as designated upon the plat of Renn Hart Hills Subdivision Commencing at Northwest corner of Block 1 as designated upon said plat; thence Easterly along the North line of said Block 1, a distance of 804.03 to the point of beginning of this description; thence Southerly parallel with the Westerly line of said Block 1, a distance of 158.18 feet; thence Easterly parallel with the Northerly line of said Block 1, a distance of 150.00 feet; thence Northerly parallel with the Westerly line of said Block 1 to the Northerly right-of-way line of Windsor Road; thence Westerly along the Northerly right-of way line of Windsor Road, a distance of 150.00 feet; thence Southerly parallel with the Westerly line of said Block 1 to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Block 5

Part of the West half of Section 5, Township 44 North, Range 2 East of the Third Principal Meridian bounded and described as follows to-wit::

Beginning at the intersection of the Westerly right-of way line of Material Avenue extended southerly and the Southerly right-of-way line of East Riverside

Boulevard; thence Northerly along the Westerly right-of way line of Material Avenue, extended Southerly and the Westerly right-of way line of Material

Avenue to the Southerly line of the Drainage Way as designated upon the Plat of Larson's Industrial Tracts the plat of which is recorded in Book 27 of Plats on Page 37 in the Recorder's Office of Winnebago County, Illinois; thence Easterly along the Southerly line of said Drainage Way and said Southerly line extended Easterly to the Easterly right-of way line of the Chicago and Northwestern Railroad; thence Southwesterly along said Easterly right-of-way line to the Southerly right-of-way line of East Riverside Boulevard; thence Westerly along the Southerly right-of-way line of East Riverside Boulevard to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Forest Hills TIF District

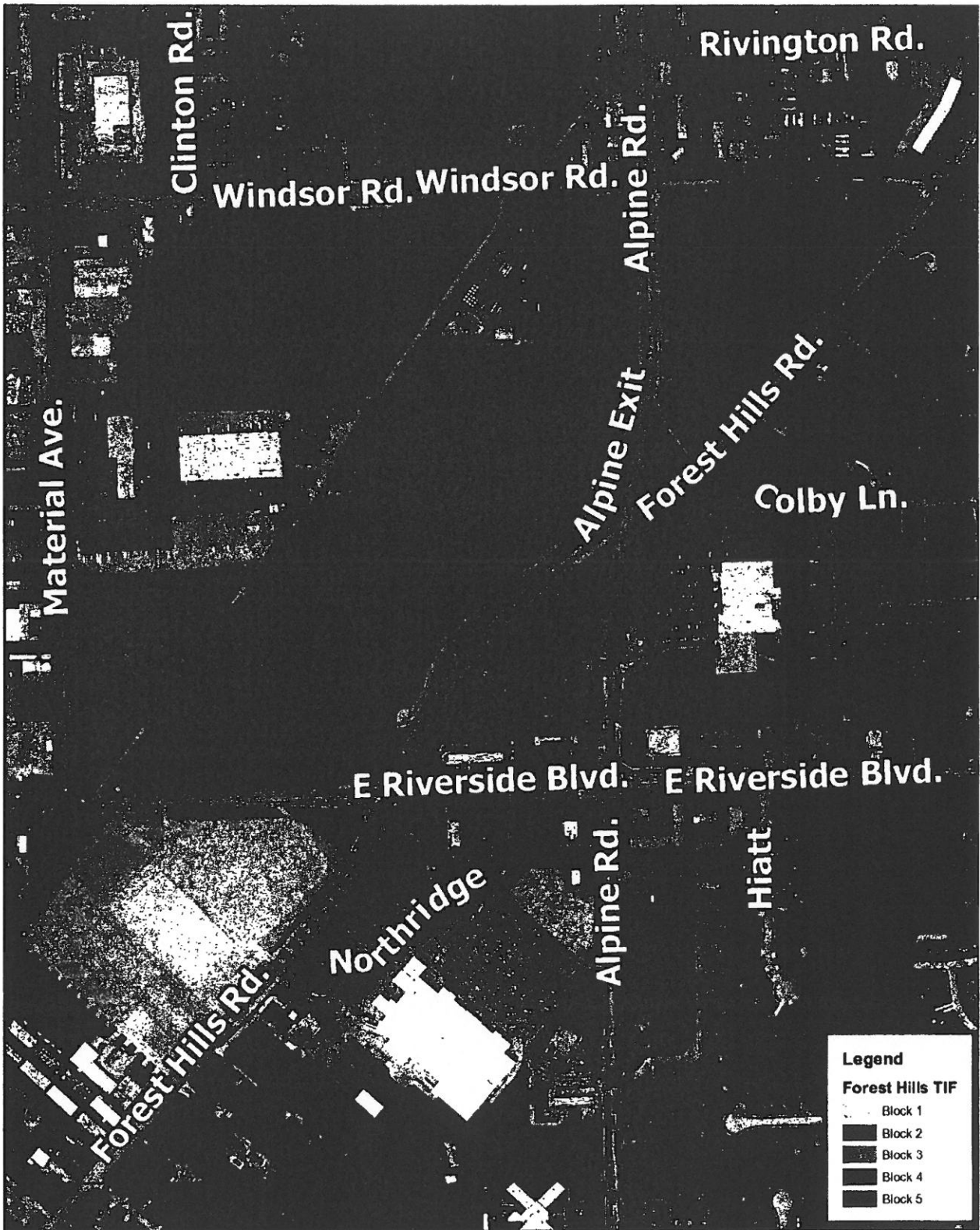


EXHIBIT "B"
Forest Hills Road Business District Area

*LEGAL DESCRIPTION OF
FOREST HILLS ROAD BUSINESS DISTRICT*

BLOCK 1

Part of the Southeast Quarter of Section 5, Township 44 North Range 2 East of the Third Principal Meridian bounded and described as follow to-wit.

Beginning at the intersection of the centerline of East Riverside Boulevard and the centerline of Forest Hills Road; thence Southwesterly along the centerline of Forest Hills Road to the intersection of said centerline and the Southerly line of the Northerly 250 feet of Lot 6 as designated upon the plat of Hamilton Acres the plat of which is recorded in Book 22 of Plats on Page 333 in the Recorder's Office of Winnebago County, Illinois.; thence Northwesterly along Southerly line of the Northerly 250 feet of Lot 6 to the Easterly right-of-way line of the Chicago and Northwestern Railroad; thence Northeasterly along the Easterly right-of-way line of the Chicago and Northwestern Railroad and said line extended Northeasterly to the centerline of East Riverside Boulevard; thence Easterly along the centerline of East Riverside Boulevard to the point of beginning. Situated in the County of Winnebago, State of Illinois.

and

BLOCK 2

Part or the West half of Section 5, Township 44 North, Range 2 East of the Third Principal Meridian bounded and described as follows to-wit:

Beginning at the intersection of the Easterly right-of-way line of Forest Hills Road, extended Southwesterly and the centerline of East Riverside Boulevard; thence Westerly along the centerline of East Riverside Boulevard to the Easterly right-of-way line of the Chicago and Northwestern Railroad extended Southerly; thence Northeasterly along said Easterly right-of-way line to the Northerly line of Lot 7 as designated upon the plat of Baudhuin Farms the plat of which is recorded in Book 22 of Plats on Page 74 in the Recorder's Office of Winnebago County, Illinois; thence Easterly along the North line of said Lot 7 to the Southerly line of a Drainage Way as designated upon said plat; thence Southeasterly along the Southerly line of said Drainage Way and said Southerly line extended to the Easterly right-of-way line of Forest Hills Road; thence Southwesterly along the Easterly right-of-way line of Forest Hills Road and said right-of-way line extended to the point of beginning. Situated in the County of Winnebago, State of Illinois.

and

All right-of ways immediately adjacent to Block 1 and/or Block 2.

Forest Hills Business District



EXHIBIT "D"

Owner Project

Façade improvements, including painting of the exterior of the building and tuckpointing of cracks in the walls

Reconstruction of the Owner Property parking lot

STATE OF ILLINOIS)
COUNTY OF WINNEBAGO)
CITY OF LOVES PARK)

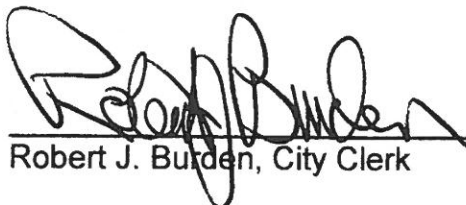
CERTIFICATE

I, **ROBERT J. BURDEN**, certify that I am the duly elected and acting Municipal Clerk of the City of Loves Park, Winnebago County, Illinois.

I further certify that on November 11, 2019, the Corporate Authorities passed Ordinance No. 4308-19, entitled "An Ordinance Authorizing the City of Loves Park to Enter into a Redevelopment Agreement with Batteries Plus of Rockford, Inc.," and by its terms, that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 4308-19, including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the municipal building, commencing on November 20, 2019, and continuing for at least ten days thereafter. Copies of such ordinance were also available for public inspection, upon request, in the office of the municipal clerk.

Dated at Loves Park, Illinois, this November 20, 2019.



Robert J. Burden, City Clerk

1. Agr

Attachment F

The financial statements for the City of Loves Park -Forest Hills Road TIF also include reporting for the Forest Hills Business District Overlay that is located within the Forest Hills Business District.

The funds for the Forest Hills TIF are held separately from the funds for the Forest Hills Business District, but they are accounted for in our financial statements in a common special revenue fund called the Forest Hills TIF Fund.

The fiscal year 2020 separated financial information is as follows:

Forest Hills TIF			Forest Hills Business District			Total for Both Types
Assets:						
Cash and Cash equivalents	\$	85,275.00	\$	157,250.00	\$	242,525.00
Property Taxes receivable	\$	164,287.00	\$	18,395.00	\$	182,682.00
Land held for resale	\$	-			\$	-
Total Assets:	\$	249,562.00	\$	175,645.00	\$	425,207.00
Liabilities:						
Accounts Payable	\$	-			\$	-
Due to other funds	\$	14,047.00			\$	14,047.00
Unearned revenue	\$	149,762.00	\$	4,549.00	\$	154,311.00
Total Liabilities:	\$	163,809.00	\$	4,549.00	\$	168,358.00
Fund balance:						
Total fund balance:	\$	85,753.00	\$	171,096.00	\$	256,849.00
Total liabilities and fund balance:	\$	249,562.00	\$	175,645.00	\$	425,207.00
Forest Hills TIF			Forest Hills Business District			Total for Both Types
Revenues:						
Special assessment tax	\$	92,787.00			\$	92,787.00
Sales tax			\$	77,839.00	\$	77,839.00
Interest					\$	-
Other (City 10% contribution)	\$	13,096.00			\$	13,096.00
Total Revenues:	\$	105,883.00	\$	77,839.00	\$	183,722.00
Expenditures:						
General Government	\$	(13,360.00)	\$	-	\$	(13,360.00)
RDA Payments	\$	(73,322.00)			\$	(73,322.00)
Business District Rebate Agreement			\$	(24,016.00)	\$	(24,016.00)
Total expenditures:	\$	(86,682.00)	\$	(24,016.00)	\$	(110,698.00)
Excess of revenues over (under) expenditures	\$	19,201.00	\$	53,823.00	\$	73,024.00
Other financing sources(uses):					\$	-
Transfers in(out)					\$	-
Net change in fund balances					\$	-
Fund balances:					\$	-
Beginning	\$	66,552.00	\$	117,273.00	\$	183,825.00
Ending	\$	85,753.00	\$	171,096.00	\$	256,849.00

**Minutes of the Joint Review Board Meeting
Tax Increment Financing (TIF) District
Forest Hills TIF
February 19, 2020, 2:05 P.M., Loves Park City Hall**

Present: Joshua Aurand – Harlem School District, Chris Dornbush- Winnebago County, Eli Nicolosi

Mayor Jury called the meeting to order at 2:05 P.M.

Motion to approve the Minutes of the February 27, 2019 JRB meeting by Chris Dornbush, second by Eli Nicolosi. Motion carried.

Planning Director Nathan Bruck reported on A redevelopment agreement with Batteries Plus for parking improvements.

City Treasurer John Danielson presented the Annual Report Overview of the Joint Review Board – Forest Hills TIF

**Joint Review Board – Forest Hills Road TIF– February 19, 2020
Treasurer’s Report**

The TIF reporting period is May 1, 2018 – April 30, 2019.

The beginning cash balance on May 1, 2018 in the Forest Hills TIF Account was \$3,742.16 and the ending cash balance on April 30, 2019 was \$27,336.14.

Reporting on a cash basis:

Revenues received into the fund totaled \$45,904.86 in increment.

Cash basis expenditures during the reporting period totaled \$22,310.88.

The TIF report filed with the State of Illinois is based on the City of Loves Park audited financial statements for the year and therefore reports revenues and expenditures on a modified accrual basis.

Audited revenues reported for this reporting period were \$92,381.00 in increment and \$4,590.00 for the required 10% City contribution to the TIF.

Audited expenditures reported for this reporting period were \$25,401.00.

Reported expenditures included payments to:

-- Nicolosi-Galluzzo: \$3,090.00 for legal work related to Forest Hills TIF.

These expenditures were paid by the General Fund and will be reimbursed from the TIF to the General Fund in a future period.

The fund balance at the end of the reporting period was \$66,553.00.

The total amount designated for debt obligations and project costs at the end of the reporting period was: \$2,977,689.00. These obligations are as a result of the redevelopment agreement negotiated with DYN Kishwaukee, LLC for the property at 1500/1502 E. Riverside Blvd.

There was not a surplus available at the end of the reporting period.

The balance in the TIF checking account at February 19, 2020 was \$85,275.24.

City Attorney Gino Galluzzo reported no legal issues.

There was no public comment.

Motion by Eli Nicolosi, second by Josh Aurand to adjourn. Motion carried.

Meeting adjourned at 2:08 P.M.

Minutes by Robert J. Burden, City Clerk

CITY OF LOVES PARK, ILLINOIS
 Combining Balance Sheet
 Nonmajor Governmental Funds
 April 30, 2020

	Special Revenue						Capital Projects		Permanent	Total Nonmajor Governmental Funds
	Bridge Operating Fund	Economic Development Revolving Loan Fund	Spring Creek Lakes TIF Fund	North 2nd Street TIF Fund	Zenith Cutter TIF Fund	Forest Hills TIF Fund	Flood Control CIP Fund	Bridge Trust Fund		
Assets:										
Cash and cash equivalents	\$ 110,340	228,563	36,495	337,946	60,868	242,525	-	2,991	1,019,728	
Investments	-	-	-	-	-	-	-	296,476	296,476	
Receivables	-	-	-	-	-	-	-	-	-	
Taxes	-	-	377,639	144,147	1,098,154	182,682	-	-	1,802,622	
Notes	-	250,253	-	-	-	-	600	-	250,253	
Due from other funds	-	-	-	-	-	-	-	-	600	
Land held for resale	-	-	-	187,967	-	-	-	-	187,967	
Restricted assets:										
Escrow account	-	-	-	-	-	-	199,294	-	199,294	
Total assets	110,340	478,816	414,134	670,060	1,159,022	425,207	199,894	299,467	3,756,940	
Liabilities:										
Accounts payable	-	-	-	-	-	-	-	-	-	
Due to other funds	-	-	249,233	377,775	29,306	14,047	-	-	670,361	
Due to other governments	-	-	-	-	-	-	199,894	-	199,894	
Total liabilities	-	-	249,233	377,775	29,306	14,047	199,894	-	870,255	
Deferred Inflows of Resources:										
Sales taxes	-	-	-	2,664	-	4,549	-	-	7,213	
TIF increment	-	-	241,571	87,816	549,077	149,762	-	-	1,028,226	
Total liabilities and deferred inflows of resources	-	-	490,804	468,255	578,383	168,358	199,894	-	1,905,694	
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	
Long-term portion of Notes Receivable	-	118,485	-	-	-	-	-	-	118,485	
Bridge improvements	-	-	-	-	-	-	-	299,467	299,467	
Restricted	-	-	-	-	-	-	-	-	-	
Special revenue funds	110,340	-	-	201,805	580,639	256,849	-	-	1,149,633	
Committed	-	-	-	-	-	-	-	-	-	
Economic Development Revolving Loan Fund	-	360,331	-	-	-	-	-	-	360,331	
Unassigned	-	-	(76,670)	-	-	-	-	-	(76,670)	
Total fund balance	110,340	478,816	(76,670)	201,805	580,639	256,849	-	299,467	1,851,246	
Total liabilities, deferred inflows of resources and fund balances	\$ 110,340	478,816	414,134	670,060	1,159,022	425,207	199,894	299,467	3,756,940	

CITY OF LOVES PARK, ILLINOIS
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended April 30, 2020

	Special Revenue						Capital Projects			Permanent	Total Nonmajor Governmental Funds
	Bridge Operating Fund	Economic Development Revolving Loan Fund	Spring Creek Lakes TIF Fund	North 2nd Street TIF Fund	Zenith Cutter TIF Fund	Forest Hills TIF Fund	Flood Control CIP Fund	Bridge Trust Fund			
Revenues:											
Taxes	-	-	293,871	162,400	1,139,513	170,626	-	-	-	1,766,410	
Interest	-	9,234	-	-	-	-	-	10,169	-	19,403	
Other	-	-	-	12,397	-	13,096	-	3,196	-	28,689	
Total revenues	-	9,234	293,871	174,797	1,139,513	183,722	-	13,365	-	1,814,502	
Expenditures:											
Current:											
General government	-	1,782	137,395	14,523	8,760	110,698	-	300	-	273,458	
Highways, streets, & bridges	-	-	-	-	-	-	-	-	-	-	
Total current	-	1,782	137,395	14,523	8,760	110,698	-	300	-	273,458	
Capital outlay	-	-	-	-	-	-	-	-	-	-	
Debt service:											
Principal payments	-	-	87,248	32,165	554,972	-	-	-	-	674,385	
Interest payments	-	-	169,895	75,134	600,006	-	-	-	-	845,035	
Total debt service	-	-	257,143	107,299	1,154,978	-	-	-	-	1,519,420	
Total expenditures	-	1,782	394,538	121,822	1,163,738	110,698	-	300	-	1,792,878	
Excess of revenues over (under) expenditures	-	7,452	(100,667)	52,975	(24,225)	73,024	-	13,065	-	21,624	
Other financing sources (uses):											
Transfers in (out)	9,869	-	-	-	-	-	-	(9,869)	-	-	
Total other financing sources (uses)	9,869	-	-	-	-	-	-	(9,869)	-	-	
Net change in fund balances	9,869	7,452	(100,667)	52,975	(24,225)	73,024	-	3,196	-	21,624	
Fund balances:											
Beginning	100,471	471,364	23,997	148,830	604,864	183,825	-	296,271	-	1,829,622	
Ending	\$ 110,340	478,816	(76,670)	201,805	580,639	256,849	-	299,467	-	1,851,246	

CITY OF LOVES PARK, ILLINOIS
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
Forest Hills TIF Fund
 For the Year Ended April 30, 2020
 With Comparative Totals for the Year Ended April 30, 2019

	2020				2019
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Taxes	\$ 229,058	229,058	170,626	(58,432)	161,487
Other	15,000	15,000	13,096	(1,904)	4,590
Total revenues	<u>244,058</u>	<u>244,058</u>	<u>183,722</u>	<u>(60,336)</u>	<u>166,077</u>
Expenditures:					
General government:					
Miscellaneous	15,000	15,000	13,360	1,640	3,090
Redevelopment agreements	357,889	357,889	97,338	260,551	41,195
Total expenditures	<u>372,889</u>	<u>372,889</u>	<u>110,698</u>	<u>262,191</u>	<u>44,285</u>
Net change in fund balance	\$ <u>(128,831)</u>	<u>(128,831)</u>	73,024	<u>201,855</u>	121,792
Fund balance:					
Beginning			<u>183,825</u>		<u>62,033</u>
Ending			\$ <u>256,849</u>		<u>183,825</u>



**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH STATE OF ILLINOIS
PUBLIC ACT 85-1142**

Illinois Department of Revenue
Springfield, Illinois

We have audited the basic financial statements of the City of Loves Park, Illinois for the year ended April 30, 2020, and have issued our report thereon dated March 5, 2021. The basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on the eligibility for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the Loves Park Corporate Center TIF District, North 2nd Street TIF District, Spring Creek Lakes TIF District, Zenith Cutter TIF District, and Forest Hills TIF District pursuant to Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The City of Loves Park, Illinois' management is responsible for the government's compliance with laws and regulations. In connection with our audit referred to above, we selected and tested transactions and records to determine the government's compliance with State of Illinois Public Act 85-1142, "An Act in Relation to Tax Increment Financing".

The results of our test indicate that for the items tested, the City of Loves Park, Illinois complied with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

Lucas Group CPAs + Advisors, LLC

Freeport, Illinois
March 5, 2021