

AFFIRMATION OF COLLATERAL ASSIGNMENT

101 S. MAIN STREET

WHEREAS, HP LILAC STATION, LLC, an Indiana limited liability company ("Developer"), is a party to that certain Redevelopment Agreement for the Holladay North Development and the Holladay South Development comprising a part of the Downtown TIF District of the Village of Lombard, Illinois dated April 30, 2019 as amended by that certain First Amendment dated February 6, 2020, that certain Second Amendment dated April 16, 2020, and that certain Third Amendment dated May 21, 2020 and as assigned by Holladay Property Services Midwest, Inc. to Assignor pursuant to that certain Assignment and Assumption of Redevelopment Agreement dated August 12, 2020 (as amended and as subsequently amended from time to time after the date hereof, the "Redevelopment Agreement"), with the Village of Lombard, Illinois, an Illinois non-home rule municipal corporation (the "Village"); and

WHEREAS, the Village, pursuant to and only as required by the Redevelopment Agreement, will (i) convey the Property to Developer, or its designee (the "Conveyance") pursuant to the Real Estate Sale Contract (as defined in the Redevelopment Agreement), (ii) provide reimbursement to Developer of TIF Eligible Redevelopment Costs (as defined in the Redevelopment Agreement) in relation to the North Building Project (as defined in the Redevelopment Agreement) in an amount not to exceed Five Hundred Twenty Five Thousand and No/100 Dollars (\$525,000.00) ("TIF Incentive"), and (iii) provide reimbursement to Developer of the Sales Tax Rebate (as defined in the Redevelopment Agreement) in relation to the South Building Project as defined in the Redevelopment Agreee) in an amount not to exceed Five Hundred Thousand and No/100 Dollars (\$500,000.00) ("Sales Tax Incentive") . The Conveyance, the TIF Incentive, and the Sales Tax Incentive are referred to herein, collectively, as the "Incentive"; and

WHEREAS, the TIF Incentive is under the exclusive control of the Village, and Developer's right to reimbursement is subject to Developer satisfying and meeting all of the terms and conditions of the Redevelopment Agreement including, without limitation, the terms and conditions of Sections VII.B. and VII.C. of the Redevelopment Agreement; and

WHEREAS, the Sales Tax Incentive is under the exclusive control of the Village, and Developer's right to reimbursement is subject to Developer satisfying and meeting all of the terms and conditions of the Redevelopment Agreement including, without limitation, the terms and conditions of Section VII.D. of the Redevelopment Agreement; and

WHEREAS, pursuant to the terms and conditions of that certain Loan Agreement dated June 3, 2021 (as amended, restated or replaced from time to time, "Loan Agreement") among Developer, First Midwest Bank, its successors and assigns, in its capacity as administrative agent ("Agent"), First Midwest Bank (in its individual capacity as a Lender, "FMB") and those certain other financial institutions that are, or may become from time to time, parties thereto (collectively, with FMB and their respective successors and assigns, "Lenders"), Lenders have extended to Developer a loan in the principal amount of Twenty Four Million and No/100 Dollars (\$24,000,000.00) ("Loan"), in furtherance of the redevelopment of the Property; and

WHEREAS, to secure the Loan, Developer has encumbered the Property by entering into that certain Mortgage and Security Agreement dated June 3, 2021, to and in favor of Agent and for the benefit of Lenders (as amended, increased, renewed, extended, spread, consolidated, severed, restated, or otherwise changed from time to time, the "Mortgage") to be recorded in the Official Records of the County of DuPage, State of Illinois; and

WHEREAS, Developer has also collaterally assigned its right to receive reimbursements under the Redevelopment Agreement to Agent for the benefit of Lenders pursuant to the Assignment of Redevelopment Agreement of even date herewith (the "Collateral Assignment"); and

WHEREAS, Lenders require as a condition of making the Loan to Developer that the Village consent to Developer's assignment to Agent of its rights to receive the Incentive under the terms of the Redevelopment Agreement; and

NOW THEREFORE, in recognition of the foregoing, the Village hereby acknowledges and consents to the grant of the security interest to Agent of Developer's rights to receive the Incentive pursuant to the Redevelopment Agreement and affirms the aforescribed Assignment of Developer's rights under the Redevelopment Agreement to Agent.

1. Copies of all notices to Developer under the terms of the Redevelopment Agreement shall be sent to Agent, including without limitation, reimbursement amount, default and termination notices, with all such notices to be delivered in the same manner prescribed for in the Redevelopment Agreement at the following address of Agent by the party sending said notice:

First Midwest Bank
8750 West Bryn Mawr, Suite 1300
Chicago, Illinois 60631
Attention: Robert E. Gallagher III
Email: robert.gallagher@firstmidwest.com

2. Village represents and agrees that: (a) the Redevelopment Agreement is in full force and effect, (b) the Village has conveyed the Property (as defined in the Redevelopment Agreement) to Developer, (c) that the conditions set forth in Section VI.A. have been satisfied by Developer to the extent required as of the date hereof; and (d) the Village's rights under Section VI. B shall at all times remain, subject and subordinate to the Mortgage, the lien and security interest imposed by the Mortgage and the right to enforce such lien or security interest, and all advances made under or secured by the Loan. As of the date hereof, no payments have been made in connection with the TIF Incentive or the Sales Tax Rebate. To the Village's actual knowledge, Developer has performed all of its obligations under the Redevelopment Agreement which are required to be performed as of the date hereof. To the Village's actual knowledge, Developer is not in default in the performance or observance of any of its covenants or agreements under the Redevelopment Agreement or pursuant to any other agreement with the Village as of the date hereof and the Village is not aware of any current defenses, setoffs, or counterclaims against or with respect to the Incentive.

3. In the event that Agent certifies in writing to Village that (i) an Event of Default has occurred under the Mortgage or any of the other Loan Documents (ii) as a result, Agent is entitled to receive the Incentive, and also (iii) demands that Village pay the Incentive in accordance with the terms of Redevelopment Agreement directly to Agent, then Village shall make all such payments directly to Agent pursuant to such certification and notwithstanding any contrary instructions of or demands from Developer.

4. In the event of a default by Developer under the Redevelopment Agreement, Village agrees (a) to accept the cure by Agent of any monetary default by Developer under the Redevelopment Agreement within ten (10) days after the later of (i) delivery of notice of such default to Agent pursuant to this Affirmation of Collateral Assignment and (ii) the expiration of the cure periods afforded to Developer in the Redevelopment Agreement and (b) to accept the cure by Agent of any non-monetary default by Developer under the Redevelopment Agreement within thirty (30) days after the later of (i) delivery of notice of such default to Agent pursuant to this Affirmation of Collateral Assignment and (ii) the expiration of the cure periods afforded to Developer in the Redevelopment Agreement, but acknowledges that Agent shall be under no obligation to cure any such monetary or non-monetary default. No commencement of any performance by Agent of any obligation of Developer required under the Redevelopment Agreement shall obligate Agent to continue or complete such performance or to otherwise perform any of Developer's obligations under the Redevelopment Agreement.

5. Notwithstanding any provision of the Redevelopment Agreement regarding restrictions on assignment or third-party beneficiary rights, the Village agrees that Developer's collateral assignment of the Redevelopment Agreement to Agent, along with this Affirmation of Collateral Assignment, shall be binding and inure to the benefit of Agent subject to the conditions in the Collateral Assignment and this Affirmation of Collateral Assignment.

IN WITNESS WHEREOF, this Affirmation of Collateral Assignment is executed this
15th day of July _____, 2021.

VILLAGE OF LOMBARD,
an Illinois non-home rule municipal corporation

By: 
Name: Keith Gagnorio
Its: Village President