

**VILLAGE OF OAK PARK AND 1144 LAKE STREET, LLC
ECONOMIC INCENTIVE AGREEMENT TERM SHEET
1144 LAKE STREET, OAK PARK, IL 60301**

This term sheet reflects the proposed terms for an Economic Incentive Agreement to support a new national high-end book seller expanding into the Village of Oak Park. This document is non-binding and is intended only to reflect the proposed terms for an Economic Incentive Agreement. If the terms are acceptable to the Village of Oak Park Board of Trustees, they will be incorporated into a binding Economic Incentive Agreement for formal approval at an open meeting of the Village Board of Trustees and executed by both the Village and 1144 Lake Street, LLC.

Property	Retail space at 1144 Lake Street, Oak Park, IL of approximately 25,000 square feet.
Owner	1144 Lake Street, LLC
Tenant	Barnes & Noble, a national high-end book seller.
Development Proposal	Development of the Property for Tenant, all in accordance with site and development plans to be approved by the Village in accordance with the Village's development process. Development includes work by Owner and Tenant to make the Tenant retail space ready for Tenant's operations, along with other improvements to the building including, without limitation, to the HVAC system, windows, sprinklers, elevators, and the Vault.
Construction Budget	Estimated Owner costs to be at least \$4 million, including hard costs of approximately \$2.6 million and soft costs of approximately \$1.4 million. Owner must verify actual costs of development to the Village in alignment with the estimated construction budget prior to payment of the Village Incentive. In addition, Tenant estimates their buildout costs are \$1.5 million. Total Construction costs of \$5.5 million.
Village Incentive	A rebate to Owner of 50% of the Sales Taxes generated by Tenant on the Property and received by the Village after the Commencement Date up to the Incentive Cap during the Incentive Term.

Sales Taxes	Those taxes imposed and collected by the State of Illinois and received by the Village pursuant to the Retailer's Occupation Tax Act, 35 ILCS 120/1 <i>et seq.</i> , as amended, the Service Occupation Tax Act, 35 ILCS 115/1 <i>et seq.</i> , as amended, the Home Rule Municipal Retailers' Occupation Tax Act, 65 ILCS 5/8-11-1, as amended, and the Home Rule Municipal Service Occupation Tax Act, 65 ILCS 5/8-11-5, as amended.
Incentive Cap	\$2 million so long as development costs exceed \$5.5 million. If development costs are less than \$5.5 million, the Incentive Cap will be reduced proportionally.
Incentive Term	20 Years after the Commencement Date.
Agreement	The Economic Incentive Agreement by and between the Village and Owner including the key terms in this Term Sheet and additional agreed upon provisions. The date the Agreement is executed is the " Effective Date ."
Development Timeline	<p>Executed lease with Tenant – before the Effective Date.</p> <p>Application for permits – within 12 months of the Effective Date.</p> <p>Commencement construction – within 12 months of the Effective Date.</p> <p>Complete construction – within 24 months of the Effective Date.</p> <p>Final certificate of occupancy obtained and Tenant opens for business ("Commencement Date") – on or before August 1, 2027.</p> <p>If any development timeline is not met, subject to delays due to <i>force majeure</i>, the Village may terminate the Agreement in its discretion.</p>
Assessment Incentive	Owner is pursuing a historic landmark designation for the Property from the Village. If the Village Board designates the Property as a landmark, Owner may then apply for a Cook County Class L assessment incentive (" Class L "). If Owner applies for the Class L after the Village Board designates the Property as a landmark, the Village Board will adopt a resolution supporting the application. It is estimated that the Class L would reduce the property tax bill for the Property by approximately \$18,000 in the first year.

Sidewalk Vault	There is a vault under the sidewalk adjacent to the Property along Harlem Avenue (" <i>Vault</i> "). Owner will fill and decommission the Vault and pay the costs of that work. The Village will replace and pay for a new sidewalk on top of the Vault.
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