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Cook County Recorder 259.50



COOK COUNTY
RECORDER
EUGENE "GENE" MOORE
ROLLING MEADOWS

REDEVELOPMENT AGREEMENT

by and between

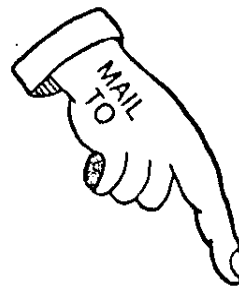
VILLAGE OF PALATINE

and

JOSEPH FREED AND ASSOCIATES, LLC

Dated May 15, 2001

P.I.N. 02-15-400-039 02-15-301-013
02-15-400-040 02-15-301-014
02-15-400-041 02-15-411-065
02-15-400-042 02-15-411-066
02-15-411-002 part of 02-15-411-058
02-15-301-007
02-15-301-008
02-15-301-009
02-15-301-011
02-15-301-012



Village of Palatine
200 E. Wood Street
Palatine, IL 60067
ATTN: Village Clerk

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REDEVELOPMENT AGREEMENT

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THIS REDEVELOPMENT AGREEMENT (this "Agreement"), is made and entered into as of the 15 day of MAY, 2001 ("Agreement Date") by and between the VILLAGE OF PALATINE, ILLINOIS, an Illinois municipal home rule corporation, located in Cook County, Illinois (the "Village"), and JOSEPH FREED AND ASSOCIATES, LLC, an Illinois limited liability company, (the "Developer"). (The Village and the Developer are sometimes referred to individually as a "Party" and collectively as the "Parties").

RECITALS

WHEREAS, the Village is a home rule unit of government in accordance with Article VII, Section 6, of the Constitution of the State of Illinois, 1970; and

WHEREAS, the Village has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety and welfare of the Village and its inhabitants, to prevent the presence of blight, to encourage private development in order to enhance the local tax base, to increase additional tax revenues realized by the Village, foster increased economic activity within the Village, to increase employment opportunities within the Village, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes, and otherwise be in the best interests of the Village; and

WHEREAS, the Village is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act"), to finance redevelopment in accordance with the conditions and requirements set forth in the Act; and

WHEREAS, the Village, on June 14, 1999 adopted an Inducement Resolution relating to the proposed redevelopment of the downtown area of Palatine legally described on Exhibit "A" (hereinafter "Downtown" or the "Entire Redevelopment Project Area"); and

1 WHEREAS, the Village authorized the preparation of a report entitled Redevelopment
2 Plan and Project by Kane, McKenna and Associates, Inc, dated September 1999 (the
3 "Redevelopment Plan") concerning the redevelopment of the Downtown; and

4 WHEREAS, in accordance with the Act, the Village conducted a public hearing with
5 respect to the Redevelopment Plan and the redevelopment of the Downtown at a meeting of the
6 Village Mayor and the Village Council (the "Corporate Authorities") held on December 13,
7 1999; and

8 WHEREAS, as part of the study of the redevelopment of the Downtown, the Village
9 found that the improvements in the Downtown suffer from the following factors: age,
10 obsolescence, depreciation of physical maintenance, deterioration, inadequate utilities,
11 excessive vacancies, deleterious land use or layout, excessive land coverage and lack of
12 community planning; and

13 WHEREAS, to stimulate and induce redevelopment in the Downtown pursuant to the
14 Act, the Village has adopted the following ordinances, after giving all notices required and after
15 conducting the public hearings required by law:

16 1. Ordinance No. O-224-99, adopted December 13, 1999, titled "Ordinance
17 Approving the Village of Palatine Cook County, Illinois, Downtown Area Project Area
18 Development Plan and Project;

19 2. Ordinance No. O-225-99 adopted December 13, 1999, titled "Ordinance
20 Designating the Village of Palatine, Illinois, Downtown Area Tax Increment Redevelopment
21 Project Area";

22 3. Ordinance No. O-226-99, adopted December 13, 1999, titled "Ordinance
23 Adopting Tax Increment Financing for the Village of Palatine Downtown Area Tax Increment
24 Redevelopment Project Area in the Village of Palatine, Cook County, Illinois"; and

1 WHEREAS, on December 1, 2000, the Village published a Notice of Development
2 Opportunity seeking development proposals for three parcels located within the Downtown
3 identified in the Village of Palatine Downtown Land Use Guide as Parcels 1, 2 and 9; and

4 WHEREAS, the Village owns such Parcels 1, 2 and 9, which are separately and legally
5 described in Exhibit "B" and shall hereinafter be referred to as the "Property" or the
6 "Redevelopment Project Area"; and

7 WHEREAS, Parcel 1 and Parcel 2 have been subdivided into Lots 1 through 12, inclusive
8 pursuant to a final plat of subdivision dated March 23, 2001 and prepared by Spaceco pursuant
9 to Resolution R-46-01 dated May 15, 2001 (the "Parcel 1 Plat"); and

10 WHEREAS, Parcel 9 has been subdivided into Lots 1, 2 and 3 pursuant to a final plat of
11 subdivision dated March 23, 2001 and prepared by Spaceco pursuant to Resolution R-45-01
12 dated May 15, 2001 (the "Parcel 9 Plat"); and

13 WHEREAS, the Developer desires to own and redevelop a portion of the Property
14 consisting of Parcel 9, Lots 1 and 2, and Parcel 1, Lots 1 through 12, inclusive; and

15 WHEREAS, the Village desires to own and redevelop the portion of the Property
16 consisting of Parcel 9, Lot 3; and

17 WHEREAS, the Developer responded to the Notice of Development Opportunity, and
18 its response was determined to be compliant with the Notice of Development Opportunity; and

19 WHEREAS, the Developer represents and warrants to Village that Developer, and its
20 principals, are uniquely skilled in the development and redevelopment of downtown areas of
21 municipalities and are able to provide to the Village skill, knowledge and expertise as well as
22 input from other experts and consultants in mixed use downtown redevelopment projects; and

23 WHEREAS, on December 18, 2000, the Village Council authorized the Village Manager
24 to enter into negotiations with Developer for a redevelopment agreement for the Property; and

1 WHEREAS, the Village has passed two ordinances, after giving all notices and
2 conducting all public hearings required by law: Ordinance Number 0-54-01 passed on May 15,
3 2001 which approved a mixed use planned development for Parcel 9, Lots 1, 2 and 3 consisting
4 of office, retail and parking uses (the "Gateway Center Planned Development"); and Ordinance
5 Number 0-56-01 passed on May 15, 2001 which approved a residential planned development for
6 Parcel 1, Lots 1 through 12, inclusive, (the "Residential Planned Development"); and

7 WHEREAS, it is necessary for the successful completion of the Redevelopment Project
8 (as defined in Article 2) that the Village enter into this Agreement with Developer to provide for
9 the development of the Property, thereby implementing and bringing to completion a portion of
10 the Redevelopment Plan; and

11 WHEREAS, Developer has been and continues to be unwilling to undertake the
12 redevelopment of the Developer Property (as defined in Article 2) but for certain tax increment
13 financing ("TIF") incentives from the Village in accordance with the TIF Act, which the Village
14 is willing to provide under the terms and conditions contained herein. The Village has
15 determined that it is desirable and in the Village's best interests to assist Developer in the
16 manner set forth herein and as this Agreement may be supplemented and amended; and

17 WHEREAS, the Village, in order to stimulate and induce development of the
18 Redevelopment Project Area, has agreed to finance certain Redevelopment Project Costs (as
19 defined in Article 2) through tax increment revenues and through the issuance of bonds all in
20 accordance with the terms and provisions of the Act and this Agreement; and

21 WHEREAS, this Agreement has been submitted to the Corporate Authorities of the
22 Village for consideration and review, the Corporate Authorities have taken all actions required
23 to be taken prior to the execution of this Agreement in order to make the same binding upon the
24 Village according to the terms hereof, and any and all actions of the Corporate Authorities of

1 the Village precedent to the execution of this Agreement have been undertaken and performed
2 in the manner required by law; and

3 WHEREAS, this Agreement has been submitted to the Managing Member of the
4 Developer for consideration and review, the Managing Member has taken all actions required
5 to be taken prior to the execution of this Agreement in order to make the same binding upon the
6 Developer according to the terms hereof, and any and all action of the Developer's Managing
7 Member precedent to the execution of this Agreement have been undertaken and performed in
8 the manner required by law.

9 NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and
10 agreements herein contained, and other good and valuable consideration, the receipt and
11 sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

12
13 ARTICLE ONE

14 INCORPORATION OF RECITALS.

15 The findings, representations and agreements set forth in the above Recitals are material
16 to this Agreement and are hereby incorporated into and made a part of this Agreement as
17 though fully set out in this Article One, and constitute findings, representations and agreements
18 of the Village and of the Developer according to the tenor and import of the statements in such
19 Recitals.

20 ARTICLE TWO

21 DEFINITIONS.

22 For the purposes of this Agreement, unless the context clearly requires otherwise, words
23 and terms used in this Agreement shall have the meanings provided from place to place herein,
24 including above in the recitals hereto and as follows:

1 "Act" means the Tax Increment Allocation Redevelopment Act found at 65 ILCS 5-11-
2 74.4-1, et seq.

3 "Agreement" means this Redevelopment Agreement.

4 "Authorized Permits" shall have the meaning in Section 20.1

5 "Bond Ordinance" means an ordinance enacted by the Village authorizing the issuance
6 of Bonds, from time to time, in one or more series and in accordance with this Agreement and
7 on such other terms as are acceptable to the Village, in its sole discretion.

8 "Bonds" means Tax Increment General Obligation Bonds, Series 2001, which shall be
9 issued in accordance with the Bond Ordinance to provide net proceeds in amounts sufficient to
10 pay the costs to be incurred by the Village in fulfillment of its responsibilities in this Agreement.

11 "Change in Law" means the occurrence, after the Effective Date, of an event described
12 in Section (a) below, provided (i) such event materially changes the costs or ability of the Party
13 relying thereon to carry out its obligations under this Agreement and (ii) such event is not
14 caused by the Party relying thereon:

15 a. Change in Law means any of the following: (i) the enactment, adoption,
16 promulgation or modification of any federal, state or local law, ordinance, code, rule or
17 regulation (other than by the Village or with respect to those made by the Village, only if they
18 violate the terms of this Agreement); (ii) the order or judgment of any federal or state court,
19 administrative agency or other governmental body; (iii) the imposition of any conditions on, or
20 delays in, the issuance or renewal of any governmental license, approval or permit (or the
21 suspension, termination, interruption, revocation, modification, denial or failure of issuance or
22 renewal thereof) necessary for the undertaking of the services to be performed under this
23 Agreement; or (iv) the adoption, promulgation, modification or interpretation in writing of a

1 written guideline or policy statement by a governmental agency (other than the Village or with
2 respect to those made by the Village, only if they violate the terms of this Agreement).

3 "Closing" means the date on which Developer first acquires title to any portion of the
4 Developer Property pursuant to the Real Estate Sale Provisions.

5 "Code" means the United States Internal Revenue Code of 1986, as amended.

6 "Collector" means the officer or officers of the County of Cook, Illinois, who is or are at
7 the time obligated under applicable law to collect and pay over to the Village the Incremental
8 Property Taxes pursuant to and in accordance with the Act.

9 "Corporate Authorities" means the Village Mayor and Village Council of the Village of
10 Palatine, Illinois.

11 "Day" means a calendar day.

12 "Developer" means Joseph Freed and Associates, LLC, or any successor in interest
13 thereof permitted pursuant to Section 22.14 hereof.

14 "Developer Off-Site Improvements" means those certain off-site improvements to be
15 constructed by Developer at its sole cost and expense and specifically set forth as such on
16 Exhibit "G" attached hereto.

17 "Developer Project" means the development, construction, financing, and completion in
18 furtherance of the Residential Project, the Office/Retail Project and the Developer Off-Site
19 Improvements.

20 "Developer Property" means that portion of the Property for which Developer holds or
21 will hold fee simple title from time to time pursuant to the Agreement. At the Initial Closing, it
22 is intended that the Developer Property shall be Parcel 9, Lots 1 and 2, and Parcel 1, Lots 1 and 2
23 and Lots 5 through 8, inclusive, and Lot 11, subject, however, to the Real Estate Sale Provisions.

1 "Gateway Center Plans" means the final plans for the Gateway Center Project which
2 consists of plans specified on Exhibit "E".

3 "Gateway Center Project" means, collectively, the Office/Retail Project and the Parking
4 Garage Project.

5 "Incremental Property Taxes" means the *ad valorem* taxes, if any, arising from the taxes
6 levied upon the real property within the Entire Redevelopment Project Area, which taxes are
7 attributable to the increases in the then current equalized assessed valuation ("EAV") of the
8 taxable lot, block, tract or parcel of real property in the Entire Redevelopment Project Area over
9 and above the total Initial EAV of the Entire Redevelopment Project Area, all as determined by
10 the County Clerk of Cook County, Illinois, pursuant to and in accordance with the Act, the TIF
11 Ordinances and this Agreement, and includes any replacement, substitute or amended taxes.

12 "Initial Closing" means the date on which the Developer acquires Parcel 9, Lots 1 and 2
13 and Parcel 1, Lots 1 and 2, Lots 5 and 8 inclusive and Lot 11 subject to the Real Estate Sale
14 Provisions and the other provisions of this Agreement.

15 "Initial EAV" means the equalized assessed value of the Entire Redevelopment Project
16 Area certified by the County Clerk of Cook County.

17 "Mandatory Parking Spaces" shall have the meaning ascribed to it in Section 20.1.

18 "Net Proceeds" means that portion of the proceeds allocated to this Redevelopment
19 Project derived from the issuance of the Bonds (net of any costs of issuance, underwriter's fee or
20 discount, debt service reserve, or other similar types of funding requirements generally
21 applicable in connection with the issuance of tax increment bonds), which amount shall be
22 sufficient to pay the costs to be incurred by the Village in fulfillment of its responsibilities in this
23 Agreement.

1 **"Office/Retail Project"** means, collectively, the construction of an approximately
2 100,000 square foot, four-story office building, an approximately 17,000 to 20,000 square foot
3 retail building having 2 stories, and site improvements on Parcel 9, Lots 1 and 2, in accordance
4 with the Gateway Center Plans and pursuant to the Gateway Center Planned Development,
5 except any site improvements which constitute Other Village Improvements.

6 **"Other Village Improvements"** means those certain on-site and off-site improvements
7 to be constructed by the Village at its sole cost and expense and specifically set forth as such on
8 Exhibit "G" attached hereto.

9 **"Parking Garage Project"** means the construction of a multi-level parking garage for
10 approximately 1,250 automobiles and site improvements on Parcel 9, Lot 3 in accordance with
11 the Gateway Center Plans and pursuant to the Gateway Center Planned Development, which
12 shall be owned by the Village.

13 **"Party"** means the Village and/or Developer and its successors and/or assigns as
14 permitted herein, as the context requires.

15 **"Person"** means any individual, corporation, partnership, limited liability company,
16 joint venture, association, trust, or government or any agency or political subdivision thereof, or
17 any agency or entity created or existing under the compact clause of the United States
18 Constitution.

19 **"Property"** means Parcel 1, Lots 1-12, inclusive and Parcel 9, Lots 1 through 3, inclusive,
20 as those parcels are legally described on Exhibit "B", upon which the Redevelopment Project
21 will be implemented. The Property is sometimes referred to as the Redevelopment Project Area.

22 **"Real Estate Sale Provisions"** means those provisions set forth in Exhibit "I" hereto.

23 **"Redevelopment Plan"** means the "Redevelopment Plan" for the Downtown as defined
24 in the Village Ordinance No. O-224-99.

1 "Redevelopment Project" means the Developer Project and the Village Project.

2 "Redevelopment Project Area" means the approximately 9.9 acres of vacant land,
3 consisting of Parcel 1, Lots 1 through 12, inclusive and the approximately 4.6 acres consisting of
4 Parcel 9, Lots 1, 2 and 3, collectively, all of which is legally described in Exhibit "B".

5 "Redevelopment Project Costs" means those qualifying redevelopment project costs
6 authorized by the Act and this Agreement, including for those items more specifically set forth
7 on Exhibit "H".

8 "Required Parking Spaces" shall have the meaning in Section 20.1.

9 "Residential Plans" means the final plans for the Residential Project, which consists of
10 the plans listed on Exhibit "F".

11 "Residential Project" means the construction on: (i) Parcel 1, Lot 1, Lot 2 and Lots 5
12 through 8, inclusive, and Lot 11 of two (2) condominium buildings each containing 60 units,
13 approximately twenty-five (25) rowhomes and site improvements thereon in accordance with
14 the Residential Plans; (ii) at such time, if ever that Parcel 1, Lot 3 becomes Developer Property
15 pursuant to Article 7, the construction on Lot 3 of one (1) condominium building containing 60
16 units, and (iii) at such time, if ever, that Parcel 1, Lots 4, 9, 10 and 12, become Developer
17 Property pursuant to Article 7, the construction thereon of one (1) condominium building
18 containing 60 units, fifteen (15) rowhomes and site improvements in accordance with the
19 Residential Plans, and all pursuant to the Residential Planned Development.

20 "State" means the State of Illinois.

21 "TIF Ordinances" means Ordinances No.'s O-224-99, O-225-99 and O-226-99 all adopted
22 by the Village on December 13, 1999, as described in the Recitals to this Agreement.

23 "TIF Revenue Stream" means the Incremental Property Taxes collected with respect to
24 the Downtown which is required to be paid to the Village Treasurer for deposit to the Special

1 Tax Allocation Fund, as defined in the Act pursuant to Section 11-74.4-8 thereof, as such
2 provision may be amended from time to time, the proceeds of any other tax or other source of
3 legally available revenue which the Village designates as "TIF Revenue Stream", and interest or
4 other investment income earned on monies on deposit in the Special Tax Allocation Fund.

5 "Uncontrollable Circumstance" means any event which :

6 (a) is beyond the reasonable control of and without the fault of the Party
7 relying thereon; and

8 (b) is one or more of the following events:

9 (i) a Change in Law;

10 (ii) insurrection, riot, civil disturbance, sabotage, act of the public
11 enemy, explosion, nuclear incident, war or naval blockade;

12 (iii) epidemic, hurricane, tornado, landslide, earthquake, lightning,
13 fire, windstorm, other extraordinary weather conditions or other
14 similar Act of God;

15 (iv) governmental condemnation or taking other than by the Village;

16 (v) strikes or labor disputes, other than those caused by the acts of
17 Developer;

18 (vi) unreasonable delay in the issuance of building or other permits or
19 approvals by the Village or other governmental authority having
20 jurisdiction;

21 (vii) shortage or unavailability of essential materials for a period not in
22 excess of sixty (60) days and which materially change the ability of
23 the Party relying thereon to carry out its obligations under this
24 Agreement;

- 1 (viii) unknown or unforeseeable environmental conditions;
- 2 (ix) Unknown or unforeseeable geotechnical conditions which delay
- 3 construction of the Project for no more than sixty (60) days; and
- 4 (x) non-performance by the other Party which delays construction.

5 Notwithstanding the foregoing limits in clause (vii) and (ix) above of sixty (60) days,
6 provided Developer proceeds diligently with the construction of Developer's Project, said limits
7 shall be extended upon the findings by an arbitrator that the conditions described in (vii)
8 and/or (ix), as the case may be, are beyond the reasonable control of the Developer. In no event
9 shall the arbitration process itself (as opposed to the findings of the arbitrator) be the basis for
10 delay in completion of the Project. If Village and Developer cannot agree on an arbitrator, each
11 Party will select an arbitrator and the arbitrators, together, will select a third arbitrator who will
12 render said decision. The parties shall bear the cost of their respective arbitrator and share
13 equally the cost of the arbitrator rendering the decision. Uncontrollable Circumstance shall not
14 include: economic hardship; unavailability of materials (except as described in b(vii) above);
15 strikes or labor disputes caused by the acts of Developer, a failure of performance by a
16 contractor (except as caused by events which are Uncontrollable Circumstances as to the
17 contractor) or geotechnical conditions (except as described in (b)(ix) above). In connection with
18 a claim by Developer pursuant to (vii) or (ix), Developer must provide, at least fifteen (15) days
19 prior to making such claim, written notice to the Village of said claim. In said written notice,
20 Developer shall document: (i) the basis for the claim, (ii) the length of the expected delay and
21 (iii) the consequences of the same on the development schedule (Exhibit "J"), and commit to
22 inform the Village when the delay is over. Notwithstanding the foregoing, in the case of the
23 occurrence of circumstances described in (v) and (viii) above, the Party desiring to rely on such
24 Uncontrollable Circumstances must first provide the other Party with written notice describing

1 the Uncontrollable Circumstance and the anticipated consequences and/or delay arising
2 therefrom.

3 For each day that Village or Developer is delayed by an Uncontrollable Circumstance,
4 the dates set forth in Article 7 and Exhibit "J" hereto shall be extended by one (1) day for
5 Village or Developer, as applicable.

6 "Village" means the Village of Palatine, Illinois, an Illinois municipal corporation.

7 "Village Engineer" means the person so designated by the Village Manager as the
8 Village Engineer.

9 "Village Project" means the development, construction, financing, completion and
10 furtherance of the Parking Garage Project and the "Other Village Improvements".

11 "Village Property" means that portion of the Property to which the Village holds fee
12 simple title from time to time.

13 ARTICLE THREE

14 CONSTRUCTION.

15 This Agreement, except where the context by clear implication shall otherwise require,
16 shall be construed and applied as follows:

- 17 (a) Definitions include both singular and plural.
- 18 (b) Pronouns include both singular and plural and cover all genders.
- 19 (c) The word "include", "includes" and "including" shall be deemed to be followed
20 by the phrase "without limitation".
- 21 (d) Headings of Sections herein are solely for convenience of reference and do not
22 constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- 23 (e) All exhibits attached to this Agreement shall be and are operative provisions of
24 this Agreement and shall be and are incorporated by reference in the context of use where

1 mentioned and referenced in this Agreement. In the event of a conflict between any exhibit and
2 the terms of this Agreement, the terms of this Agreement shall control.

3 (f) Any certificate, letter or opinion required to be given pursuant to this Agreement
4 means a signed document attesting to or acknowledging the circumstances, representations,
5 opinions of law or other matters therein stated or set forth. Reference herein to supplemental
6 agreements, certificates, demands, requests, approvals, consents, notices and the like means that
7 such shall be in writing whether or not a writing is specifically mentioned in the context of use.

8 (g) In connection herewith concerning written directions or authorization in respect
9 of the investment of any funds, notwithstanding any provision hereof to the contrary, such
10 direction or authorization orally by telephone, other telecommunication or otherwise,
11 confirmed in writing, including by teletypewriter/facsimile transmission, shall be appropriate and
12 is hereby approved. Failure of the investing agent to actually receive such written confirmation
13 shall not render invalid or ineffective any such oral direction or authorization.

14 (h) The Village Manager, unless applicable law requires action by the Corporate
15 Authorities, shall have the power and authority to make or grant or do those things,
16 certificates, requests, demands, notices and other actions required that are ministerial in nature
17 or described in this Agreement for and on behalf of the Village and with the effect of binding
18 the Village as limited by and provided for in this Agreement. Developer is entitled to rely on
19 the full power and authority of the persons executing this Agreement on behalf of the Village as
20 having been properly and legally given by the Village.

21 (i) In connection with the foregoing and other actions to be taken under this
22 Agreement, and unless applicable documents require action by Developer in a different
23 manner, Developer hereby designates Robert Fink (and, in his absence, Dennis A. Harder) as its
24 authorized representatives who shall individually have the power and authority to make or

1 grant or do all things, supplemental agreements, certificates, requests, demands, approvals,
2 consents, notices and other actions required or described in this Agreement for and on behalf of
3 Developer and with the effect of binding Developer in that connection (each such individual
4 being an "Authorized Developer Representative"). Developer shall have the right to change its
5 authorized Developer Representative by providing the Village with written notice of such
6 change which notice shall be sent in accordance with Section 22.2.

7 **ARTICLE FOUR**

8 **REDEVELOPMENT PLAN.**

9 The Village and the Developer agree to cooperate in implementing the Redevelopment
10 Project in accordance with the Parties respective obligations set forth in this Agreement.

11 **ARTICLE FIVE**

12 **DESIGNATION OF DEVELOPER**

13 The Village hereby designates Developer as the exclusive developer for the Property,
14 subject to the terms of this Agreement and only so long as Developer is not in default of this
15 Agreement after the expiration of all applicable cure periods. The Village hereby represents and
16 warrants to Developer that the Village has taken all necessary actions and has complied with all
17 requirements imposed by law including, but not limited to, the requirements of Section 5/11-
18 74.4-4 (c) of the Act, required to be taken and met prior to the designation of Developer as the
19 exclusive developer for the Property.

20 **ARTICLE SIX**

21 **DEVELOPER'S ACCESS TO THE PROPERTY**

22 Developer's rights to access the Property will be set forth in a separate document
23 entitled "Access Agreement" by and between Joseph Freed and Associates, LLC and the Village

1 (the "Access Agreement"). The Access Agreement will be: (i) executed prior to the Initial
2 Closing and (ii) be in form and substance reasonably acceptable to Village and Developer.

3 **ARTICLE SEVEN**

4 **ACQUISITION OF THE PROPERTY**

5 **7.1 Conveyance of Lots at Closing.** Closing, on the acquisition of Phase 1 (as defined
6 below) shall occur on or before one hundred twenty (120) days after the date hereof (the "Initial
7 Closing Date"). The Purchase Price for Phase 1 shall be One Million Four Hundred Thousand
8 and 00/100 Dollars (\$1,400,000.00). At Closing, subject to the provisions set forth in Exhibit "I"
9 attached hereto (the "Real Estate Provisions"), the Village shall convey to Developer, by special
10 warranty deed, all of the Village's rights, title and interest to Parcel 1, Lots 1 and 2, Lots 5
11 through 8 inclusive, Lot 11 and Parcel 9, Lots 1 and 2 (collectively "Phase 1"). Developer shall
12 take title to Parcel 9, Lot 1 subject to a restrictive covenant prohibiting the use of the property as
13 a financial institution or for automatic teller machines until January 1, 2006, as contained in a
14 deed recorded October 17, 2000 as document number 00812657, as may be amended
15 ("Restrictive Covenant"); provided, however, Developer may prior to the Initial Closing
16 negotiate any changes to the restrictive covenant it desires to make it less restrictive, and the
17 Village shall cooperate therewith.

18 **7.2 Option to Purchase Phase 2.** If Developer shall have acquired Phase 1 (or a portion of
19 Phase 1 as permitted herein), Developer shall have the exclusive option to purchase Parcel 1,
20 Lot 3 ("Phase 2") upon the following terms and conditions ("the "Phase 2 Purchase Option"):

21 a. The Phase 2 Purchase Option shall expire if it is not exercised by delivery of
22 notice thereof to Village prior to September 1, 2003 (which date shall be subject to extension due
23 to Uncontrollable Circumstances or as otherwise provided in Exhibit "J").

1 b. At the time of exercise of the Phase 2 Purchase Option, no Event of Default by
2 Developer shall exist.

3 c. The Purchase Price for Phase 2 shall be \$600,000.00.

4 d. At the time of exercise of the Phase 2 Purchase Option, the Office/Retail Project
5 must be completed in accordance with the Gateway Center Plans, as evidenced by the AIA
6 Form Certificate of Substantial Completion executed by the project architect ("Architect's
7 Certificate") and a temporary, conditional or permanent Certificate of Occupancy for the shell
8 and core has been issued, unless the reason no such certificate has been issued is the
9 unreasonable delay of the Village processing Developer's request therefor. Notwithstanding
10 the foregoing, the condition in this subparagraph (d) shall be deemed waived if it has not been
11 satisfied as a result of the Village's failure to commence and complete the Parking Garage
12 Project in accordance with the schedule set forth in Exhibit "J" subject to Unforeseeable
13 Circumstances; it being understood and agreed (and notwithstanding anything herein to the
14 contrary) that if the Village fails to commence and/or diligently and continuously proceed (or if
15 such delay is due to Uncontrollable Circumstances is unable to proceed) with the construction
16 of the Parking Garage Project, Developer may choose to likewise delay its construction of the
17 Office/Retail Project until such time as Village renews its diligent and continuous construction
18 (or due to Uncontrollable Circumstances is able to renew its diligent and continuous
19 construction) of the Parking Garage Project, and Developer shall not be prevented from
20 exercising its Phase 2 Purchase Option as a result thereof, provided, however, when the
21 Developer renews construction of the Office/Retail Project (as required hereunder), it shall
22 proceed diligently and continuously toward completion, subject to Uncontrollable
23 Circumstances.

24 e. The provisions of Exhibit "I" hereto shall apply to Phase 2.

1 f. The Closing for Phase 2 shall occur not later than thirty (30) days after
 2 Developer exercises the Phase 2 Option and shall be pursuant to the terms and provisions in
 3 Exhibit "I" hereto.

4 **7.3 Option to Purchase Phase 3.** If Developer has acquired Phase 2 then Developer shall
 5 have the exclusive option to purchase Parcel 1, Lots 4, 9, 10 and 12 ("Phase 3") for the sum of
 6 Seven Hundred Sixty Thousand and 00/100 Dollars (\$760,000.00) (the "Phase 3 Purchase
 7 Option") upon the following terms and conditions:

8 a. The Phase 3 Purchase Option must be exercised, if at all, by delivery of notice
 9 thereof to the Village on or before September 1, 2004 (which date shall be subject to extension
 10 due to Uncontrollable Circumstances or as otherwise provided in Exhibit "J").

11 b. At the time of exercise of Phase 3 Purchase Option, no Event of Default by
 12 Developer shall exist.

13 c. At the time of exercise of Phase 3 Purchase Option: (i) the condominium building
 14 to be built on Parcel 1, Lot 2 shall be complete as evidenced by an executed Architect's
 15 Certificate and temporary, conditional or final Certificates of Occupancy for not less than thirty
 16 (30) units in such building must have been issued; (ii) the building permit shall have been
 17 issued by the Village for the condominium building to be located on Parcel 1 Lot 3 (the "#3
 18 Condo"); and (iii) either (A) construction of the foundation shall have commenced on the #3
 19 Condo or (B) Developer shall have entered into sales contracts (containing only customary
 20 contingencies) for at least fifty percent (50%) of the units in the #3 Condo, with bona fide third
 21 party purchasers

22 d. Once Developer has exercised The Phase 3 Purchase Option, provided the
 23 Village has completed the Parking Garage, it shall be a condition precedent to Developer's
 24 obligation to purchase Phase 3 that the Village shall have caused the Parking Termination Event

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1 to occur. For purposes hereof, the "Parking Termination Event" shall mean the termination of
2 all parking rights on Phase 3 in a manner sufficient such that Developer's title company shall
3 not raise any such rights as a title exception, and all vehicles shall have vacated Phase 3. In the
4 event the Village fails to cause the Parking Termination Event to occur prior to the time for
5 closing the acquisition of the aforesaid Lots, Developer may terminate the Phase 3 Purchase
6 Option or may extend the time for the Village to cause the Parking Termination Event to occur.
7 Notwithstanding the foregoing, the Village shall be in default hereunder if the Parking
8 Termination Event has not occurred within sixty (60) days of the Village's receipt of Developer's
9 notice exercising the Phase 3 Purchase Option.

10 e. The closing for Phase 3 shall not occur later than the later of: (i) thirty (30) days
11 after Developer delivers the exercise notice to the Village and (ii) ten (10) days after the Parking
12 Termination Event occurs and shall be pursuant to the terms and provisions in Exhibit "I"
13 hereto.

14 **7.4 Use of Plans.** If Developer does not exercise its purchase option for Phase 2 and/or
15 Phase 3, or in the event of exercise by the Village of its rights under Section 7.5 hereof,
16 Developer shall assign to the Village or as the Village shall direct all of its right, title and interest
17 in the Plans for that portion of Phase 2 and/or Phase 3 which Developer does not acquire and
18 for Phase 1 if Village exercises its rights to repurchase Phase 1 pursuant to Section 7.5. At the
19 Initial Closing, Developer shall deliver to the Village letters from the architect and engineer that
20 prepared the Final Plans permitting the Village or its assignee to use them, in accordance with
21 this Section 7.4, without charge to complete the Residential Project, so long as the Village agrees
22 to perform the unperformed obligations of Developer pursuant to the Agreement of Developer
23 with the architect and engineer in respect of the Residential Project.

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1 7.5 Repurchase by the Village. If by January 1, 2002 (which date may be extended due to
2 Uncontrollable Circumstances or as otherwise provided in Exhibit "J"), Developer does not
3 start the foundation and have all necessary permits for the construction of the first (1st)
4 condominium building and start the foundation and have all necessary permits for the
5 construction of the first rowhouses in Phase 1, the Village may notify Developer in writing not
6 later than March 1, 2002, that the Village desires to repurchase Phase 1 (the "Repurchase
7 Notice"). If Developer does not cure within ten (10) business days of receipt of the Repurchase
8 Notice, then the Developer shall have thirty (30) days after the Developer's receipt of the
9 Repurchase Notice to clear title to Phase 1 of any liens and encumbrances to return the state of
10 title to the same condition it was in when the Village conveyed the property to Developer. The
11 amount paid by the Village for said property shall equal the Purchase Price paid by the
12 Developer to the Village for said property (the "Repurchase Price"). Any mortgage or other lien
13 encumbering said property shall be offset from the Repurchase Price otherwise payable to
14 Developer hereunder. In the event that the mortgage or other liens are for an amount in excess
15 of the Repurchase Price, the Developer shall be obligated to pay off the excess amount prior to
16 Closing. Any mortgagee of the Property or any portion thereof agrees to release its lien on the
17 Property being re-purchased by the Village pursuant to this Section 7.5 upon payment to said
18 mortgagee of the original price paid by Developer to the Village for such property less the
19 amount of any other ascertainable liens or encumbrances affecting title to said Property and less
20 real estate taxes accrued to the date of such repurchase. Developer shall convey the property by
21 special warranty deed, assume the costs for title insurance in the amount of the Repurchase
22 Price and Developer and Village shall execute such other customary closing and title documents
23 as are commonly found in similar commercial transactions in the Chicago, Illinois metropolitan

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1 area. Failure of the Developer to comply with these terms and conditions shall constitute an
2 Event of Default as defined herein.

3 4 ARTICLE EIGHT

5 VILLAGE COVENANTS AND AGREEMENTS.

6 8.1 Village's Redevelopment Obligations. The Village shall have the obligations set forth
7 in this Article Eight for the development, construction, financing, completion and furtherance of
8 the Redevelopment Project.

9 8.2 Village Funding. The Village shall issue Bonds to fulfill the Village's obligations under
10 this Article Eight or shall identify alternative sources of funds. At Closing of Phase 1, funds in
11 an amount sufficient to complete the Parking Garage Project shall be deposited with a trustee or
12 escrow agent pursuant to an escrow or trust agreement in a form reasonably acceptable to
13 Village, Developer and Developer's lender. The funds shall be disbursed to permit the
14 commencement and completion of the Parking Garage Project in accordance with the schedule
15 set forth on Exhibit "J" ("Construction Schedule, Penalty and Repurchase Events"). At the
16 Initial Closing, the Village shall identify the sources of funds for the balance of the Village's
17 obligations under this Agreement, and such funds shall be disbursed to permit the
18 commencement and completion of the Other Village Improvements in accordance with the
19 schedule set forth on Exhibit "K" ("Village Construction Schedule").

20 This Agreement shall not constitute a debt of the Village within the meaning of any
21 constitutional statutory provision or limitation.

22 8.3 Intentionally omitted.

23 8.4 Underground Utility Costs. Attached hereto as Exhibit "H" is a listing of certain
24 underground utilities which must be installed in connection with construction of the Project

1 and other Redevelopment Project Costs. The Village shall pay from the Net Proceeds the sum
 2 of Five Hundred Fifty Thousand and 00/100 Dollars (\$550,000.00) to pay for a portion of the
 3 costs of said utilities or other Redevelopment Project Costs. Said sums shall be paid by the
 4 Village in installments upon request of Developer and not later than thirty (30) days after
 5 presentation by the Developer to the Village of sworn statements from the general contractor (or
 6 other appropriate evidence in the case of so called "soft costs") and partial and/or final lien
 7 waivers, as applicable, in accordance with the requirements of the Illinois Mechanics Lien Act
 8 relative to the work for which such payment is requested.

9 **8.5 Conveyance of Developer Property.** Subject to the Real Estate Sale Provisions, the
 10 Village will convey Phase 1 to the Developer at the Initial Closing.

11 **8.6 Village Project.** The Village shall cause the construction of the Village Project in
 12 accordance with the provisions of Article 21 hereof, in accordance with Exhibit "J" and the
 13 Village Construction Schedule, and in conformance with all applicable laws, rules, ordinances
 14 and regulations, subject to Uncontrollable Circumstances.

15 **8.7 License for Sales Office.** Within thirty (30) days of the date of this Agreement, the
 16 Village and Developer shall execute an agreement substantially in a form attached as Exhibit
 17 "M" (the "License Agreement") for purposes of placing and maintaining a temporary office at a
 18 mutually agreeable locations which shall initially be on Phase 1, Phase 2 and subsequently on
 19 Phase 3 to accommodate the sales and marketing of the residential units in the Residential
 20 Project and parking incidental thereto. This license shall terminate on the earlier of (i) the last
 21 date on which the closing for the Phase 3 may occur as set forth in Section 7.3, or (ii) the date
 22 Developer acquires fee title to Phase 3, or (iii) the date an Event of Default by Developer is not
 23 timely cured. Upon the occurrence of any of the events described in the preceding sentence,
 24 said license shall immediately expire and Developer shall remove said temporary office within

1 fourteen (14) days after receipt of written notice from the Village. The License Agreement shall
2 also: provide a temporary access easement over a portion of Phase 1, Phase 2 and then Phase 3
3 at mutually agreeable locations; provide temporary construction easements; provide for placing
4 temporary signage promoting the Redevelopment Project at locations acceptable to the Village
5 and Developer; provide for the right to stock pile dirt and other materials on Phase 1 and Phase
6 2; permit soil borings on Phases 1, 2 and 3; and permit clearing and grubbing on Phases 1 and 2.

7 **8.8 Environmental Conditions on the Subject Property.**

8 Developer acknowledges that the Village has previously delivered to Developer the
9 various documents, materials, and reports listed in Exhibit "N" (including the Phase 1 "No
10 Further Investigation" findings of Envirogen with respect to Parcel 1) collectively, the "Due
11 Diligence Reports". The Village shall have no further responsibility for environmental
12 conditions on Parcel 1, except to the extent of any contamination which migrated or migrates
13 from Parcel 9, Lot 3. Prior to the Initial Closing Date, Village shall obtain and deliver to
14 Developer reliance letters from its environmental consultants providing that Developer and
15 Developer's lender and tenants may rely on all such reports as though the reports were
16 mutually prepared for them. Village shall provide to Developer any proposed changes to the
17 IEPA Plan (as defined below) prior to said changes taking effect, and such changes, if any, shall
18 not adversely affect Parcel 9, Lots 1 and/or 2. The Village has informed Developer that certain
19 contamination of soil exists on Parcel 9. The environmental reports indicate that the
20 construction of the Parking Garage will be sufficient remediation to satisfy the tiered approach
21 to corrective action objective ("TACO"), 35 Ill. Admin. Code, Article 742. The Village shall use
22 its best efforts to obtain a focused no further remediation (NFR) letter from the Illinois
23 Environmental Protection Agency ("IEPA") on Parcel 9 pursuant to Title XVII of the IEPA. The
24 Village's efforts to obtain the focused NFR letter shall be limited to such additional

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1 investigations and testing as may be required by the IEPA. The Village hereby indemnifies,
2 defends and holds Developer harmless from all costs, liabilities, expenses, fees and penalties
3 incurred by Developer in respect of its development and ownership of the Office/Retail Project
4 (i) in connection with the existence on Parcel 9, Lot 3 of said soil and ground water
5 contamination in excess of those which are permissible under TACO and the focused NFR
6 letter; (ii) in connection with the migration of contamination from Parcel 9, Lot 3 to Parcel 1; and
7 (iii) in connection with any leaking of contamination from said Parcel 9, Lot 3 unto Parcel 9, Lots
8 1 and 2. For purposes of the foregoing clause, "leaking of contamination" shall be deemed to
9 have occurred if the contaminants found on Parcel 9, Lots 1 and/or 2 are contaminants
10 addressed in the IEPA Plan and/or the NFR letter. Prior to the Initial Closing, the Village shall
11 provide Developer with evidence of IEPA's complete and final requirements with respect to the
12 issuance of the focused NFR letter (the "IEPA Plan"), and said evidence and the IEPA Plan in a
13 form acceptable to Developer shall be a condition precedent to Developer's obligation to
14 acquire Phase 1. If the Village does not provide such evidence by the Initial Closing Date,
15 Developer may (i) terminate this Agreement by delivery of notice thereof to the Village prior to
16 the Initial Closing Date, or (ii) extend the Initial Closing Date with respect to Parcel 9 Lots 1 and
17 2 until such evidence is provided and close on Parcel 1, Lots 1, 2, 5-8 and 11. Except as
18 otherwise set forth in this Agreement, the Property is being sold to Developer, "as-is, where is".
19 At the Initial Closing, without limiting the Village's indemnity, herein, the Developer shall
20 evidence in writing its acceptance of the Village's efforts herein and shall waive any further
21 objections to proceeding with construction of the office building on the basis of these
22 environmental concerns on Parcel 9, except as provided in 7.2(d) and subject to Uncontrollable
23 Circumstances. The indemnifications contained herein shall survive the Initial Closing and all
24 subsequent Closings.

1 Anything above to the contrary notwithstanding, in the event that the Village
2 determines prior to the Initial Closing Date, that the cost to remediate any soil or ground water
3 contamination of Parcel 9, Lot 3 will make construction of the parking garage prohibitively
4 expensive, the Village may elect by delivery of notice thereof to Developer prior to the Initial
5 Closing to terminate this Agreement in which event the Village shall reimburse Developer for
6 all of Developer's "Opportunity Costs". The term "Opportunity Costs" shall mean those out-of-
7 pocket third party expenses incurred by Developer in connection with its proposed acquisition
8 and development of the Project, for architects, engineers, contractors, surveyors, attorneys,
9 accountants, lenders, planners and other consultants, together with overhead equal to seven
10 percent (7%) of such third party costs. Said sums shall be paid by the Village upon presentation
11 by Developer to the Village of receipts for such costs and, to the extent that any of said costs
12 constitute items which are lienable against the Property under the Illinois Mechanics Lien Act,
13 final waivers of lien in connection therewith.

14 **8.9 Access to Parking.** The Village shall provide the Developer with permits for 334
15 parking spaces to be located on Parcel 9, Lot 3, in accordance with the provisions of Article 20 .
16 At the Initial Closing, the Village and Developer shall enter into an Operation and Easement
17 Agreement pursuant to which the Village shall grant, for so long as the office building exists
18 (and for a reasonable period thereafter for reconstruction), 334 parking permits, access, ingress
19 and egress and utility easements to Developer for the benefit of Parcel 9, Lots 1 and 2 and shall
20 contain such other provisions as shall be necessary for the proper operation and maintenance of
21 the parking garage and to permit the issuance by the Title Company (as defined in Exhibit "I")
22 of a modified 3.1 zoning endorsement with parking (the "OEA"). The OEA shall otherwise be in
23 a form reasonably acceptable to Village, Developer and Developer's lender, and shall be
24 recorded against Parcel 9, Lots 1, 2 and 3 at Closing.

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1 **8.10 Defense of Redevelopment Project Area.** In the event that any court or governmental
2 agency, having jurisdiction over enforcement of the Act and the subject matter contemplated by
3 this Agreement, shall determine that this Agreement is contrary to law, or in the event that the
4 legitimacy of the Entire Redevelopment Project Area is otherwise challenged before a court or
5 governmental agency having jurisdiction thereof, the Village will, at its sole cost and expense,
6 defend the integrity of the Entire Redevelopment Project Area and this Agreement. Developer
7 will fully cooperate with the Village in connection with the foregoing, at no out-of-pocket cost
8 to Developer.

9 **8.11 Village Cooperation** The Village agrees to cooperate with Developer in Developer's
10 attempts to obtain all necessary approvals from any governmental or quasi-governmental
11 entity other than the Village. The Village shall further promptly process, and consider
12 reasonable requests of Developer for: relief or variances from any Village ordinances; applicable
13 building permits; driveway permits; curb cuts or other permits necessary for the construction of
14 the Redevelopment Project.

15 **8.12 Certificate of Completion/Certificate of Occupancy.**
16 a. Within thirty (30) days after written request from Developer and after Developer
17 has provided all required waiver of liens and sworn statements necessary to comply with the
18 Illinois Mechanics Lien Act and has complied with all Village codes and with the obligations of
19 this Agreement with respect to the construction of the Residential Project and/or the
20 Office/Retail Project, as the case may be, the Village shall deliver a certificate of completion and
21 satisfaction of all construction terms, covenants and conditions contained in this Agreement or,
22 if not complete or satisfied, what deficiencies exist. Notwithstanding the foregoing, at
23 Developer's request, the Village shall provide a certificate of completion for any or all of Parcel
24 9, Lots 1 and 2 and Parcel 1, Lots 1 through 12, upon Developer's completion of all of its

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1 construction obligations with respect to the lot for which the certificate of completion has been
2 requested provided all required waivers of liens and sworn statements necessary to comply
3 with the Illinois Mechanics Lien Act for said lot(s) have been provided and the improvements
4 on said lot(s) comply with all Village codes. For example, upon completion of Developer's
5 construction obligations with respect to Parcel 9, Lot 1, Developer may request and Village shall
6 issue a certificate of completion (in recordable form) providing that all of Developer's
7 construction obligations under this Agreement with respect to Parcel 9, Lot 1 have been
8 completed.

9 b. The Village will, in relation to residential units in condominium buildings
10 constructed on Parcel 1, Lots 1, 2, 3 and 4, issue certificates of occupancy on a unit-by-unit basis
11 (as opposed to a floor-by-floor basis or any other basis); provided, however, that the structure
12 and common areas of the building in which the unit for which the occupancy certificate is being
13 sought is itself in conformance with applicable standards, codes and ordinances of the Village
14 concerning access/egress facilities, life/safety systems and facilities and structural integrity.

15 ARTICLE NINE

16 DEVELOPER'S COVENANTS AND AGREEMENTS.

17
18 9.1 Developer's Redevelopment Obligations. Developer shall have the obligations set
19 forth in this Article Nine for the development, construction, financing, completion and
20 furtherance of the Redevelopment Project.

21 9.2 Permit Application Deadlines. Within forty-five (45) days of the Initial Closing,
22 Developer shall have applied for (and made all submittal requirements in conformance with
23 Village codes) all (or such phased permits as contemplated herein) requisite building permits,
24 curb-cut permits and other necessary land use and construction approvals as shall be necessary

1 or appropriate to construct the Developer's Project on Phase 1 in accordance with the Gateway
 2 Center Plans and the Residential Plans (collectively, the "Final Plans"). Developer shall
 3 proceed with the application for permits and construction of Developer's Project on Developer'
 4 Property in accordance with the schedule set forth in Exhibit "J" hereto.

5 **9.3 Construction Financing Deadline.** No later than the date Developer acquires Phase 1,
 6 and as a condition precedent to Village's obligation to convey Phase 1, Developer shall
 7 demonstrate to the Village's satisfaction that Developer has sufficient funds to pay the cost of
 8 Developer's Project on Phase 1 and any other obligations of Developer hereunder relating to
 9 Phase 1. To evidence that fact, Developer shall obtain a binding commitment, in form and
 10 content that is typical in the industry, for construction financing for the Developer's Project to
 11 be constructed on Phase 1 at Closing in accordance with the terms hereof and the Final Plans,
 12 and shall furnish evidence of such commitment to the Village.

13 Alternatively, Developer shall submit evidence to the Village that Developer has
 14 sufficient funds to pay the cost of Developer's Project on Phase 1 and any other obligations of
 15 Developer hereunder, without obtaining third party financing.

16 Prior to commencing construction of Developer's Project on Phase 1, Developer shall
 17 provide to Village evidence that: (i) all presales and pre-leasing requirements of Developer and
 18 Lender are satisfied; (ii) all permits or phased permits as contemplated herein for Developer's
 19 Project on Phase 1 from the Village and all other agencies (including but not limited to IEPA,
 20 MWRD, IDOT) have been obtained; (iii) all zoning ordinances and resolutions have been
 21 obtained; (iv) a guaranteed maximum price construction contract for the Office/Retail Project
 22 has been executed; and (v) the Lender has approved the budget for Phase 1. At the Initial
 23 Closing, Developer shall deliver to Village an unconditional irrevocable \$1,400,000.00 letter of
 24 credit in form and substance acceptable to Village (the "LOC") which LOC may be drawn on by

1 Village upon the occurrence of a Penalty Event as defined in Exhibit "J" or if Developer fails to
2 pay the 2003 TIF Deficiency to the Village in accordance with Section 10.12(d) below. The LOC
3 shall be automatically reduced as follows:

4 (i) Upon substantial completion of the shell and core of the Office Building on
5 Parcel 9, Lot 1 (as evidenced by an architect's certificate executed by Developer's
6 architect and issuance by the Village of a temporary certificate of occupancy for
7 the shell and core, provided the Village does not unreasonably delay said
8 certificate by November 1, 2002 (subject to Uncontrollable Circumstances and
9 the provisions of Article Twenty One and 7.2(d) hereof), the LOC shall be
10 reduced to Seven Hundred Thousand and 00/100 Dollars (\$700,000.00);

11 (ii) Upon satisfaction of the Initial Occupancy Requirement (as defined in Section
12 10.12(b)) by March 1, 2003 (subject to Uncontrollable Circumstances and the
13 provisions of Article Twenty One and 7.2(d) hereof), the LOC shall be released
14 by the Village and delivered to Developer; provided, however, if the Initial
15 Occupancy Requirement is not satisfied until after December 1, 2002, then the
16 LOC shall not be released but shall be reduced to One Hundred Ten Thousand
17 and 00/100ths Dollars (\$110,000.00); and

18 (iii) Upon the issuance of the 2003 tax bill for Parcel 9, Lots 1 and 2 and the payment
19 of the 2003 TIF Deficiency (as defined in Section 10.12 (d)) if any, the LOC shall
20 be released by the Village and delivered to Developer.

21 9.4 Intentionally omitted.

22 9.5 Timing of Developer's Obligations. Subject to Developer exercising the Phase 2
23 Purchase Option and the Phase 3 Purchase Option, Developer covenants and agrees to construct
24 or cause to be constructed Developer's Project on Developer's Property at the times set forth on

1 Exhibit "J" hereto and otherwise as required herein, subject however, to Uncontrollable
2 Circumstances.

3 9.6 Compliance with Applicable Laws. Consistent with its warranties in Article XIV,
4 Developer shall at all times acquire, install, construct, operate and maintain the Developer's
5 Project in conformance with all applicable laws, rules, ordinances and regulations. All work
6 with respect to the Developer's Project shall conform to all applicable federal, state and local
7 laws, regulations and ordinances, including, but not limited to, zoning, subdivision and
8 planned development codes, building codes, environmental codes, life safety codes, property
9 maintenance codes and any other applicable codes and ordinances of the Village. Village shall
10 not enact any law, ordinance, rule or regulation (or amendment thereto) which would have the
11 effect of increasing Developer's obligations hereunder, including an increase in the cost of the
12 Developer Project, unless said law, ordinance, rule or regulation is one of general applicability
13 to all the property in the Village.

14 9.7 Cross-Access Reciprocal Easement Agreement. Prior to Closing, the Developer and
15 Village agree to grant reciprocal easements to one another for ingress, egress and utilities on the
16 Parcel 9 Plat for Parcels 9, Lots 1, 2 and 3 and on the Parcel 1 Plat for Parcel 1, Lots 1 through 12,
17 inclusive, to be recorded over and across the Property if required by the Village Engineer and
18 Developer in such form as is reasonably acceptable to the Village and Developer. Certain
19 easements will be temporary in nature and shall expire upon either an Event of Default or upon
20 the satisfaction of certain conditions.

21 9.8 Progress Meetings. Developer shall meet with the Village Council and Village staff and
22 make presentations to the Village Council and Village staff as reasonably requested by the
23 Village Manager in order to keep the Village apprised of the progress of the development.

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1 **9.9 Authorized Representative.** Subject to the provisions thereof, Developer has
2 designated in Article Three (i) representatives with full power and authority to meet with
3 Village staff for purposes of coordinating and implementing obligations of the Parties under
4 this Agreement.

5 **9.10 Real Estate Tax Challenges.** So long as the Redevelopment Project Area remains in
6 effect, Developer and all successor owners of Parcel 9, Lots 1 and 2, agree not to challenge,
7 contest, or seek reduction in the assessed valuation of Parcel 9, Lots 1 and 2, such that the
8 equalized assessed value for any given year for such lots would be less than the amounts shown
9 in columns A and/or B, as applicable, on Page 1 of Exhibit "O" hereto (the "Anticipated EAV").
10 Village agrees to consider relief from the covenants of this Section 9.10 in the event of economic
11 hardship arising from vacancies in the office building and/or retail space (other than any
12 vacancy by Developer or an affiliate thereof). The remedy to the Village in the event of breach
13 of this Section 9.10 is for the Developer (or its successor owners, as the case may be) to pay to
14 the Village on an annual basis the difference between the actual real estate taxes payable for
15 Parcel 9, Lots 1 and 2 and the amount of real estate taxes that would have been due and owing
16 on the Anticipated EAV for such year (said deficiency shall herein be referred to as the "TIF
17 Deficiency"), plus interest thereon at the prime rate charged by Harris Bank (or its successor)
18 plus three percent (3%) per annum for the period beginning on the date the Incremental
19 Property Taxes are received by the Village for any given year (provided the Village notifies the
20 Developer or such successor owner within sixty (60) days of the date the Village receives the
21 Incremental Property Taxes) and ending on the date the TIF Deficiency is paid to the Village.

22 **9.11 Tax Exempt Status.** Consistent with its covenant in Section 10.7, Developer and
23 successor owners (but with respect to residential unit owners, only those residential unit
24 owners who do not occupy their residential unit), shall not assert a tax-exempt status (except for

1 a senior citizen or homeowner's exemption) during their respective period of ownership. This
2 prohibition shall run with the land and shall expire on the date the Entire Redevelopment
3 Project Area expires or an earlier date if agreed by the Village and Developer.

4 **9.12 Real Estate Tax Payments.** Developer and successor owners, including but not limited
5 to residential unit owners, agree to pay all general and special real estate taxes levied during
6 their respective period of ownership against their respective interest in the Redevelopment
7 Project on or prior to the date same is due and said taxes shall not become delinquent.
8 Developer and successor owners shall deliver evidence of payment of such taxes to the Village
9 upon request.

10 **9.13 Sale Contracts.** All sales contracts and leases shall be made subject to the terms of this
11 Agreement.

12 **9.14 MWRD Fees.** Developer shall be responsible for paying the MWRD service fees in
13 connection with its development.

14 **9.15 Fees and Expenses.** Developer shall pay Village imposed permit, inspection review, tap
15 on and impact fees as follows:

16 a. Developer shall pay all construction and building permit fees, impact fees and
17 other fees described in Section 16.5 related to each phase of Developer's Project at the time of
18 permit application for such phase; provided, however, Developer's liability for such Village
19 imposed fees which shall include park and school fees at their published rates as of the date
20 hereof (which fees shall be paid in full to the applicable school or park district from amounts
21 received by the Village from Developer pursuant to this Subparagraph 9.15(a)), but exclude the
22 "art amenity fee" described in (b) below shall be in the amounts set forth on Exhibit "R" for the
23 respective categories shown thereon (the "Fixed Fees"); and

b. Developer will pay an "art amenity fee" of \$100/per residential dwelling unit based on the number of residential dwelling units shown on the Residential Plans. The "art amenity fee" for each phase will be paid in its entirety at the Closing for said phase .

Developer's failure to pay the fees and expenses described in this Section 9.15, or elsewhere in this Agreement, shall constitute an Event of Default hereunder. Without waiving its rights against Developer, the Village may be reimbursed for said fees and expenses to the extent they are eligible costs out of the Special Tax Allocation Fund. Developer's failure to make said payments shall constitute an Event of Default only if Developer does not, within thirty (30) days after written notice from the Village, make complete payment.

c. Village represents that so long as Developer connects to the Village's municipal water and sewer lines in accordance with the Final Plans, Developer shall not be liable for any charges or fees pursuant to Ordinances 0-151-89 and 0-35-99 shown as Exception No. 5 in the Title Company's commitment for Parcel 1.

ARTICLE TEN

ADDITIONAL COVENANTS OF DEVELOPER.

10.1 Developer Existence. Developer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and standing as an Illinois limited liability company, so long as Developer maintains an interest in the Property or has any other remaining obligation pursuant to the terms of this Agreement.

10.2 Construction of Redevelopment Project. Developer shall diligently pursue obtaining all required permits and Developer shall cause construction of Developer's Project on the Developer Property to be prosecuted and completed pursuant to the schedule set forth on

1 Exhibit "J" with due diligence, in good faith and without delay, subject to Uncontrollable
2 Circumstances and the other provisions of this Agreement.

3 **10.3 Indemnification.** Developer (use of the term "Developer" herein includes permitted
4 successors and assigns), agrees to indemnify, defend and hold the Village, Mayor, Village
5 Council Members, Village Manager, officers, agents and employees (hereinafter "Indemnified
6 Parties") harmless from and against any losses, costs, damages, liabilities, claims suits, actions,
7 causes of action and expenses (including, without limitation, reasonable attorneys' fees and
8 court costs) suffered or incurred by the Indemnified Parties which are caused as a result of:

9 a. the failure of Developer to comply with any of the terms, covenants or conditions
10 of this Agreement which Developer is obligated to comply with; or

11 b. the failure of Developer or any of Developer's contractors to pay contractors,
12 subcontractors or materialmen in connection with Developer's Project; or

13 c. material misrepresentations or omissions of Developer relating to Developer's
14 Project, financials or this Agreement which are the result of information supplied or omitted by
15 Developer or by its agents, employees, contractors or persons acting under the control or at the
16 request of Developer; or

17 d. the failure of Developer to cure (in accordance with any applicable cure
18 provisions in this Agreement) any material misrepresentations or omissions of Developer in this
19 Agreement relating to Developer's Project within the applicable cure provisions of this
20 Agreement; or

21 e. any claim or cause of action for injury or damage brought by a third party arising
22 out of the construction or operation of Developer's Project by Developer; or

1 f. any violation by Developer of local ordinance, state or federal laws, to the fullest
2 extent permitted by law, in connection with the offer and sale of interests in the Developer or
3 any part of Developer's Project, except for information provided by the Village.

4 g. The occurrence of an Event of Default by Developer.

5 The provisions of this Section 10.3 shall not apply to a loss which arises out of (in whole
6 or in part) intentional misconduct or negligence on the part of any Indemnified Party, but only
7 to the extent that such Indemnified Parties' misconduct or negligence contributed to the loss, or
8 that the loss is attributable to such Indemnified Parties' misconduct or negligence.

9 **10.4 Insurance.** Prior to Closing, Developer (or Developer's contractor) shall deliver to the
10 Village, at Developer's cost and expense, insurance required to be carried by Developer
11 pursuant to Article 17.

12 **10.5 Further Assistance and Corrective Instruments.** The Village and Developer agree that
13 they will, from time to time, execute, acknowledge and deliver, or cause to be executed,
14 acknowledged and delivered, such supplements hereto and such further instruments as may be
15 reasonably required for carrying out the intention of or facilitating the performance of this
16 Agreement to the extent legally permitted and within the Village's sound legal discretion.

17 **10.6 No Gifts.** Developer covenants that no officer, member, manager, stockholder,
18 employee or agent of Developer, or any other person connected with Developer, has made,
19 offered or given, either directly or indirectly, to the Mayor, any Council member, or any officer,
20 employee or agent of the Village, or any other person connected with the Village, any money or
21 anything of value as a gift or bribe or other means of influencing his or her action in his or her
22 capacity with the Village.

23 **10.7 Conveyance.** In recognition of the nature of the Redevelopment Project and the
24 Village's projections of the need for incremental tax revenues to finance Redevelopment Project

1 Costs, in accordance with the Act, during the life of the TIF consistent with its covenants in
2 Section 9.11, Developer shall not knowingly undertake to convey the Developer's Property to
3 persons whose ownership and use of such Developer Property will cause it to be exempt from
4 payment of property taxes (except for senior citizen or homeowner exemptions), and will
5 impose in the deed conveying all or any portion of Developer's Property, a prohibition against
6 granting such conveyance consistent with the covenants in Section 9.11.

7 **10.8 Disclosure.** Concurrently with execution of this Agreement, Developer shall disclose to
8 the Village the names, addresses and ownership interests of all Persons that comprise
9 Developer. At the time of execution of this Agreement and prior to Closing, no change shall be
10 made in the persons comprising Developer or in their ownership interests without the consent
11 of the Village.

12 **10.9 Open Book Project.** Developer's Project shall be an "open book" project meaning that
13 Developer and the general contractor (or contractors, if more than one) will assure continuing
14 access to the Village's agents for the purpose of reviewing and auditing their respective books
15 and records relating to any item necessary to determine the costs of the Developer's Project. The
16 foregoing Village review rights shall terminate one (1) year after the issuance of a certificate of
17 occupancy with respect to costs for that portion of the Developer's Project for which the
18 certificate of occupancy was issued, unless the Developer has failed to make available any such
19 books and/or records requested in writing by the Village. Developer shall provide to the
20 Village copies of any partnership or joint venture agreements pertaining to the Developer
21 Property to which the Developer is a party; provided that the Developer may, (if Developer has
22 previously provided the Village not less than thirty (30) days to review such confidential
23 financial materials), remove from the copies of such agreements any confidential financial
24 information and the Village shall keep such agreements confidential, to the maximum extent

1 permitted by law. Failure to provide the documents or allow review of the books within fifteen
 2 (15) days after request by the Village shall be an Event of Default. Developer shall exercise
 3 prudence and good faith in attempting to contract with persons or entities who are reputable
 4 and experienced in their respective areas for the provision of services or material for the design
 5 and construction of Developer's Project at costs not in excess of market rates. The Village
 6 agrees that the Developer may designate within its discretion the general contractor (or general
 7 contractors) for Developer's Project. The general contractor (or general contractors) designated
 8 by Developer shall be experienced and reputable.

9 **10.10 Assignment of Agreement.**

10 Without the express written consent of the Village Council, (which may be withheld in the
 11 Village Council's reasonable discretion) this Agreement may not be assigned nor may any rights
 12 hereunder be transferred by Developer except for Permitted Transfers (as hereinafter defined),
 13 until completion of Developer's Project. Any proposed assignee of any of Developer's
 14 obligations under this Agreement shall have the qualifications, financial ability, reputation and
 15 character necessary, adequate and desirable, in Village's sole discretion, to fulfill these
 16 obligations (or, in the event the transfer is related to part of the Property, such obligations to the
 17 extent that they relate to such part). The proposed assignee shall execute an assumption and
 18 assignment agreement agreeing to adhere to the terms and conditions of this Agreement, as
 19 they apply to said assignee, and shall submit such information, including financial information,
 20 as may be requested by the Village Council. Before any permissible assignment shall be of any
 21 force and effect, Developer shall give notice of such proposed assignment to the Village, and the
 22 Village Council shall have thirty (30) days to accept or reject such assignee at its sole discretion.
 23 In the event the Village rejects such assignee, the Village shall state the reasons therefor. If the
 24 Village does not respond to the notice of such intended assignment within such thirty-day (30)

1 period, such assignment shall be deemed denied. Notwithstanding anything in this Section
 2 10.10, no part of this Section 10.10 shall require the Village's consent to the collateral assignment
 3 hereof to Developer's construction lender or permanent lender, if required thereby or to a
 4 Permitted Transfer.

5 **10.11 No Transfer without Village's Consent.** Prior to issuance of a certificate of completion,
 6 no portion of the Developer's Project shall be transferred or conveyed without the Village
 7 Council's prior written approval (other than Permitted Transfers). Before being requested to
 8 consent to a transfer (except a Permitted Transfer) of all or any portion of the Developer
 9 Property by Developer (including a sale of the residential portion of the Property to another
 10 developer (a "separate developer") who will develop such portion of the Developer Project and
 11 the Developer Property), the following must be satisfied regarding such transfer:

12 a. Any proposed transferee shall, in the Village's sole discretion, have the
 13 experience and financial ability necessary to fulfill the obligations undertaken by Developer in
 14 this Agreement with respect to the portion of the Developer Project and all rights, duties and
 15 responsibilities being transferred. The proposed separate developer shall submit to the Village,
 16 for its review and approval, the same financial documents required hereunder of Developer.

17 b. Any such proposed transferee shall have expressly assumed the obligation of
 18 Developer hereunder in writing with respect to the portion of the Developer Project and all
 19 rights, duties and responsibilities to be transferred as hereinafter provided.

20 c. All instruments and legal documents involved and affecting any such transfer
 21 from Developer to any transferee shall be submitted to the Village Council for its approval, and
 22 no transfer shall be effective until the Village Council has authorized the Village Manager to
 23 execute the same. Except in the event of a written agreement authorized by the Village Council,
 24 no transfer shall be deemed to relieve Developer or any other party bound in any way by this

1 Agreement or otherwise with respect to the construction of the Developer Project (or portion
 2 thereof) from any of their obligations with respect thereto as to the interest transferred.
 3 Developer shall in any event notify the Village of any transfer of any interest in the Developer
 4 Project other than: (i) transfers of interests in connection with the sale of individual rowhouse
 5 and condominium units and such units' interest in the common elements of the condominium
 6 to the future resident of such unit, (individual condominium unit owners and rowhouse owners
 7 shall not be considered to be a separate developer, but merely a successor in title under this
 8 Agreement) (ii) transfers of any property to the condominium associations(s) and homeowners
 9 association(s) to be established, (iii) the execution of easements, licenses, concessions or leases of
 10 any part of the Developer's Project or the Developer's Property to office, retail or restaurant
 11 users, and (iv) transfers to an Affiliate of Developer; as used herein, an "Affiliate of Developer"
 12 shall mean an entity which controls, is controlled by, or is under common control with
 13 Developer and which has the same manager, members, partners or shareholders owning in the
 14 aggregate, more than fifty percent (50%) of the ownership interests in Developer owning more
 15 than fifty percent (50%) of the ownership interests in said Affiliate; and as used herein,
 16 "control" shall mean the possession, direct or indirect, of the power to direct or cause the
 17 direction of the management and policies of a person or entity, whether through the ownership
 18 of voting securities or rights, by contract, or otherwise (the foregoing transfers in clauses i, ii, iii
 19 and iv shall herein be referred to as the "Permitted Transfers"). Developer shall not be required
 20 to obtain Village review, approval or consent to any Permitted Transfer. The Village shall have
 21 no duty to return any letter of credit or other security posted in connection with the portion of
 22 the Developer Project so transferred until substitute security acceptable to Village is received.

23 d. Upon the conveyance of any portion of the Developer Property to a separate
 24 developer (as consented to by the Village Council, and as evidenced by execution by the

1 separate developer of an assumption and assignment agreement in a form acceptable to the
2 Village), such separate developer shall be responsible for the development of such portion of
3 the Developer Project and Developer shall be relieved from all further liability under this
4 Agreement with respect to such portion of the Developer Project and the Developer Property so
5 transferred. Each separate developer shall be bound by all terms, conditions, and obligation of
6 this Agreement applicable to such separate developer's portion of the Developer Project and
7 Developer Property and, except as set forth below in this section, any reference to Developer in
8 this Agreement shall be deemed to be (or include) a reference to a separate developer to the
9 extent such reference is to (or includes) the portion of the Developer Project or the Developer
10 Property owned by such separate developer.

11 **10.12 Transfer to Affiliates and Occupancy of the Office Building.**

12 a. On or prior to the Initial Closing, Developer shall have the right to transfer any
13 or all of its interests in Parcel 9, Lots 1 and 2 and Parcel 1, Lots 1 through 12, inclusive to an
14 Affiliate of Developer, and such transfer shall relieve Developer of any of its covenants,
15 undertakings or liabilities hereunder with respect to the Developer Property so transferred; and
16 provided such transfer shall be to no more than three (3) Affiliates of Developer: one for the
17 Office, one for the Retail Project and one for the Residential Project. Such Affiliate shall be the
18 Developer hereunder with respect to the Developer Property owned and shall be entitled to all
19 rights hereunder and assumes all obligations hereunder with respect to the Developer Property
20 so transferred.

21 b. On or before December 1, 2002 (which date shall be extended due to
22 Uncontrollable Circumstances and the provisions set forth in Article 21 and Section 7.2(d),
23 Developer shall move the corporate offices of Joseph Freed and Associates and/or Affiliates of
24 Developer (or another tenant acceptable to the Village Council, an "Approved Tenant") with a

1 minimum of 100 employees and/or independent contractors to at least 30,000 square feet of
2 space in the office building on Parcel 9, Lot 1 (the "Initial Occupancy Requirement") and Joseph
3 Freed and Associates and/or Affiliates or the Approved Tenant will remain in occupancy on
4 Parcel 9, Lot 1 for a period of at least five (5) years from the date said office space is first
5 occupied. At the request of Developer, the Village shall consider any request for relief from this
6 provision. The Village retains sole discretion in considering said request.

7 c. At the end of the five (5) year period, Developer or its Affiliates or the Approved
8 Tenant must either continue to comply with the minimum occupancy requirements of at least
9 100 employees and/or independent contractors on site in not less than 30,000 square feet of
10 floor area or find a replacement tenant acceptable to the Developer's lender.

11 d. Notwithstanding the foregoing, if Joseph Freed and Associates and/or Affiliates
12 of Developer, or an Approved Tenant, does not satisfy the Initial Occupancy Requirement on or
13 before December 1, 2002, then Developer shall pay to Village the TIF Deficiency for 2003 taxes
14 payable in 2004 (the "2003 TIF Deficiency") in an amount not to exceed One Hundred Ten
15 Thousand and 00/100ths Dollars (\$110,000.00). Developer shall pay said amount to the Village
16 on the later of (i) thirty (30) days after receipt of evidence from the Village of such TIF
17 Deficiency and (ii) the due date of each installment of the 2003 taxes payable in 2004.

18 **ARTICLE ELEVEN**

19 **INTENTIONALLY OMITTED**
20

21
22 **ARTICLE TWELVE**

23 **INTENTIONALLY OMITTED**
24
25
26

1 ARTICLE THIRTEEN

2 INTENTIONALLY OMITTED

3
4
5 ARTICLE FOURTEEN

6 ADHERENCE TO VILLAGE CODES AND ORDINANCES.

7 All development and construction of the Redevelopment Project shall comply in all
8 respects with the provisions in the Building, Plumbing, Mechanical, Electrical, Storm Water
9 Management, Fire Prevention, Property Maintenance, Zoning and Subdivision Codes of the
10 Village and all other germane codes and ordinances of the Village in effect on the date that an
11 application for a building permit and/or earth moving permit for such development or
12 construction is filed, and from time to time during construction that are applicable, except as
13 otherwise provided herein and to the extent all such codes and ordinances are of general
14 applicability to all property within the Village. Notwithstanding the foregoing, the above
15 ordinances and regulations in effect on the date of this Agreement shall be applied to the
16 various components of the Redevelopment Project, for which building permit applications have
17 been applied for prior to January 1, 2003. Developer has examined and is familiar with all the
18 covenants, conditions, restrictions, building regulations, zoning ordinances, property
19 maintenance regulations, environmental regulations and land use regulations, codes,
20 ordinances, federal, state and local ordinances, and the like, and represents and warrants that
21 the Developer Project will be developed in accordance with same.

1 ARTICLE FIFTEEN

2 REPRESENTATIONS AND WARRANTIES OF DEVELOPER.

3 Developer represents, warrants and agrees as the basis for the undertakings on its part
4 herein contained that as of the date hereof and until completion of the Developer Project:

5 **15.1 Organization and Authorization.** Developer is an Illinois limited liability company
6 duly organized and existing under the laws of the State of Illinois, and is authorized to and has
7 the power to enter into, and by proper action has been duly authorized to execute, deliver and
8 perform, this Agreement. Developer is solvent, able to pay its debts as they mature and
9 financially able to perform all the terms of this Agreement. To Developer's knowledge, there
10 are no actions at law or similar proceedings which are pending or threatened against Developer
11 which would result in any material and adverse change to Developer's financial condition, or
12 which would materially and adversely affect the level of Developer's assets as of the date of this
13 Agreement or that would materially and adversely affect the ability of Developer to proceed
14 with the construction and development of the Developer's Project.

15 **15.2 Non-Conflict or Breach.** Neither the execution and delivery of this Agreement by
16 Developer, the consummation of the transactions contemplated hereby by Developer, nor the
17 fulfillment of or compliance with the terms and conditions of this Agreement by Developer
18 conflicts with or results in a breach of any of the terms, conditions or provisions of any offerings
19 or disclosure statement made or to be made on behalf of Developer (with Developer's prior
20 written approval), any organizational documents, any restriction, agreement or instrument to
21 which Developer or any of its partners or venturers is now a party or by which Developer or
22 any of its partners or its venturers is bound, or constitutes a default under any of the foregoing,
23 or results in the creation or imposition of any prohibited lien, charge or encumbrance
24 whatsoever upon any of the assets or rights of Developer, any related party or any of its

1 venturers under the terms of any instrument or agreement to which Developer, any related
2 party or any of its partners or venturers is now a party or by which Developer, any related
3 party or any of its venturers is bound.

4 **15.3 Location of Developer Project.** The Residential Project and the Office/Retail Project
5 will be located entirely within the Property.

6 **15.4 Financial Resources.** Developer and any Affiliate to which portions of this Agreement
7 are assigned has sufficient financial and economic resources to implement and complete
8 Developer's obligations contained in this Agreement.

9 **15.5 Real Estate Valuation.** Developer represents and warrants only as of the date of this
10 Agreement and of each Closing to Village that it knows of no facts that would materially reduce
11 the estimate of (i) revenue as shown in column D on Page 2 of Exhibit "O" and (ii) equalized
12 assessed valuation as estimated by Village's consultant and as shown in columns A, B and C on
13 Page 1 of Exhibit "O" it being understood that such estimates are only projections and that
14 Developer's review of such projections is based on Developer using its skill and knowledge as a
15 developer of projects similar to the Project, but is not a covenant or warranty that such
16 projections will be achieved.

17 **15.6 Limit on Use of Land as Security.** Developer shall not use the land in Parcel 9, Lots 1
18 and/or 2 as security for any financing purposes other than for the acquisition and development
19 of Parcel 9, Lots 1 and 2 and Parcel 1, Lots 1 through 12, inclusive, provided, however, that this
20 restriction shall terminate upon issuance of Certificates of Occupancy for all buildings on Parcel
21 9, Lots 1 and 2. Developer shall not use the land owned by Developer in Parcel 1, Lots 1
22 through 12 as security for any financing purposes other than for the acquisition and
23 development of the lots in Parcel 1, Lots 1 through 12 inclusive and Parcel 9, Lots 1 and 2, until

1 the time of issuance of Certificates of Occupancy for all units to be developed by Developer on
2 the respective lots on Parcel 1. Violation of this covenant shall constitute an Event of Default.

3
4 ARTICLE SIXTEEN

5 REPRESENTATIONS AND WARRANTIES OF THE VILLAGE.

6 The Village represents, warrants and agrees as the basis for the undertakings on its part
7 herein contained that:

8 **16.1 Organization and Authority.** The Village is a municipal corporation duly organized
9 and validly existing under the law of the State of Illinois, is a home rule unit of government, and
10 has all requisite corporate power and authority to enter into this Agreement.

11 **16.2 Authorization.** The execution, delivery and the performance of this Agreement and the
12 consummation by the Village of the transactions provided for herein and the compliance with
13 the provisions of this Agreement (i) have been duly authorized by all necessary corporate action
14 on the part of the Village, (ii) require no other consents, approvals or authorizations on the part
15 of the Village in connection with the Village's execution and delivery of this Agreement, and
16 (iii) shall not, by lapse of time, giving of notice or otherwise result in any breach of any term,
17 condition or provision of any indenture, agreement or other instrument to which the Village is
18 subject.

19 **16.3 Litigation.** To the best of the Village's knowledge, there are no proceedings pending or
20 threatened against or affecting the Village or the Redevelopment Project Area in any court or
21 before any governmental authority which involves the possibility of materially or adversely
22 affecting the ability of the Village to perform its obligations under this Agreement. There
23 currently are proceedings pending in the Circuit Court of Cook County, Case Number 00 L
24 050257, on a complaint filed March 21, 2000 for Condemnation by the Village of Palatine and

1 against Corus Bank National Association, Successor to Commercial National Bank of Chicago,
2 as Trustee under Trust Agreement dated May 1, 1978 and known as Trust Number 48, et al, but
3 the outcome of said proceedings will not materially or adversely affect the ability of the Village
4 to perform its obligations hereunder.

5 **16.4 Connections.** The Village hereby agrees to permit the connection of all water lines,
6 sanitary and storm sewer lines constructed in the Redevelopment Project Area or Village utility
7 lines existing or constructed in the Property or near the perimeter of the Property as set forth on
8 the Residential Plans and the Gateway Center Plans, provided that Developer complies with all
9 requirements of general applicability promulgated by the Village for such connections. Village
10 shall grant utility easements as may be necessary or appropriate to accommodate the utilities
11 shown on the Final Plans.

12 **16.5 Permit Fees.** Subject to the conditions contained in Section 9.15, Developer shall be
13 obligated to pay, in connection with the development of the Developer's Project, only those
14 school and park impact fees, building, permit, engineering, tap on, inspection fees, and other
15 applicable fees that are assessed on a uniform basis throughout the Village and are of a general
16 applicability to other property within the Village, subject, however, to the Fixed Fees.
17 Developer shall not be required to pay final engineering review or inspection fees; provided,
18 however, Developer shall pay any reinspection fees of the Village without regard to the fee cap.

19
20 **ARTICLE SEVENTEEN**

21 **LIABILITY AND RISK INSURANCE.**

22 **17.1 Liability Insurance Prior to Completion.** At the Initial Closing, Developer (or
23 Developer's contractor) shall procure and deliver to the Village, at Developer's (or such
24 contractor's) cost and expense, and shall maintain in full force and effect until each and every

1 obligation of Developer contained herein has been fully paid, or performed, a policy or policies
2 of comprehensive liability insurance and, during any period of construction, contractor's
3 liability insurance, structural work act insurance and worker's compensation insurance, with
4 liability coverage under the comprehensive liability insurance to be not less than Two Million
5 and no/100 Dollars (\$2,000,000.00) each occurrence and Five Million and no/100 Dollars
6 (\$5,000,000.00) total. All such policies shall be in such form and issued by such companies as
7 shall be acceptable to the Village to protect the Village and Developer against any liability
8 incidental to the use of or resulting from any claim for injury or damage occurring in or about
9 Developer's Project on Developer's Property, or the construction and improvement thereof by
10 Developer, except to the extent arising from Village (or its agents, employees and contractors)
11 acts or omissions (in which case the Village shall look solely to its own insurance). Each such
12 policy shall name the Village as an additional insured and shall contain an affirmative
13 statement by the issuer that it will give written notice to the Village at least thirty (30) days prior
14 to any cancellation or amendment of its policy. Developer may satisfy its insurance obligations
15 in this Article 17 by way of a blanket policy or policies which includes other liabilities,
16 properties and locations having a general policy aggregate of at least \$20,000,000.00. Developer
17 shall provide to the Village a replacement certificate not less than 30 days prior to expiration of
18 any policy.

19 **17.2 Builder's Risk Prior to Completion.** Prior to completion of the construction of
20 Developer's Project on Developer's Property, as certified by the Village, Developer shall keep in
21 force at all times builders risk insurance on a completed value basis, in non-reporting form,
22 against all risks of physical loss, including collapse, covering the total value of work performed
23 and equipment, supplies and materials furnished for the Developer's Project (including on-site
24 stored materials), all as to work by Developer. Such insurance policies shall be issued by

1 companies satisfactory to the Village. All such policies shall contain a provision that the same
2 will not be canceled or modified without prior thirty-(30) day written notice to the Village.

3
4 **ARTICLE EIGHTEEN**

5 **EVENTS OF DEFAULT AND REMEDIES.**

6 **18.1 Developer Events of Default.** The following shall be Events of Default with respect to
7 this Agreement.

8 a. If any representation made by Developer in this Agreement, or in any certificate,
9 notice, demand or request made by a party hereto, in writing and delivered to the Village
10 pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect
11 in any material respect as of the date made; provided, however, that such default shall
12 constitute an Event of Default only if Developer does not remedy the default, within thirty (30)
13 days after written notice from the Village.

14 b. Default by Developer for a period of thirty (30) days after written notice thereof
15 in the performance or breach of any covenant contained in this Agreement concerning the
16 existence, structure or financial condition of Developer; provided, however, that such default or
17 breach shall not constitute an Event of Default if such default cannot be cured within said thirty
18 (30) days and Developer , within said thirty (30) days initiates and diligently pursues
19 appropriate measures to remedy the default and in any event cures such default within ninety
20 (90) days after such notice.

21 c. Default by Developer for a period of thirty (30) days after written notice thereof
22 in the performance or breach of any covenant, warranty or obligation contained in this
23 Agreement; provided, however, that such default shall not constitute an Event of Default if such
24 default cannot be cured within said thirty (30) days and the Developer, within said thirty (30)

1 days initiates and diligently pursues appropriate measures to remedy the default and in any
2 event cures such default within ninety (90) days after such notice.

3 d. The entry of a decree or order for relief by a court having jurisdiction in the
4 premises in respect of Developer in an involuntary case under the federal bankruptcy laws, as
5 now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or
6 other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator
7 (or similar official) of Developer for any substantial part of its property, or ordering the
8 winding-up or liquidation of its affairs and the continuance of any such decree or order
9 unstayed and in effect for a period of sixty (60) consecutive days.

10 e. The commencement by Developer of a voluntary case under the federal
11 bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state
12 bankruptcy, insolvency or other similar law, or the consent by Developer to the appointment of
13 or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or
14 similar official) of Developer or of any substantial part of Developer's property, or the making
15 by any such entity of any assignment for the benefit of creditors or the failure of Developer
16 generally to pay such entity's debts as such debts become due or the taking of action by
17 Developer in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others
18 and not dismissed within sixty (60) consecutive days.

19 f. Failure to have funds to meet Developer's obligations; provided, however, that
20 such default shall constitute an Event of Default only if Developer does not remedy the default
21 within thirty (30) days after written notice from the Village.

22 g. Failure to renew or extend the LOC referenced in Section 9.3 thirty (30) or more
23 days prior to its expiry (in which event the Village may draw the full amount of the LOC).

1 h. Sale, assignment, or transfer of Developer's Project except in accordance with
2 this Agreement.

3 i. Change in the manager of Developer (other than to Tom Fraerman, Bob Fink or
4 Christopher Picone).

5 j. Developer abandons Developer's Project on Developer's Property.
6 Abandonment shall be deemed to have occurred when work stops on the Developer' Property
7 for more than thirty (30) days for any reason other than: (i) Uncontrollable Circumstances or (ii)
8 if Developer is ahead of its planned construction schedule .

9 k. Developer fails to comply with applicable governmental codes and regulations in
10 relation to the construction and maintenance of the buildings contemplated by this Agreement;
11 provided, however, that such default shall constitute an Event of Default only if the Developer
12 does not, within thirty (30) days after written notice from the Village, remedy the default.

13 **18.2 Village Events of Default.** The following shall be Events of Default with respect to this
14 Agreement:

15 a. if any material representation made by the Village in this Agreement, or in any
16 certificate, notice, demand or request made by a party hereto, in writing and delivered to
17 Developer pursuant to or in connection with any of said documents, shall prove to be untrue or
18 incorrect in any material respect as of the date made; provided, however, that such default shall
19 constitute an Event of Default only if the Village does not remedy the default, within thirty (30)
20 days after written notice from Developer.

21 b. default by the Village in the performance or breach of any material covenant
22 contained in this Agreement concerning the existence, structure or financial condition of the
23 Village; provided, however, that such default or breach shall constitute an Event of Default if

1 the Village does not, within thirty (30) days after written notice from Developer, initiate and
2 diligently pursue appropriate measures to remedy the default.

3 c. default by the Village in the performance or breach of any material covenant,
4 warranty or obligation contained in this Agreement; provided, however, that such default shall
5 not constitute an Event of Default if the Village, commences cure within thirty (30) days after
6 written notice from Developer and in any event cures such default within ninety (90) days after
7 such notice, subject to Uncontrollable Circumstances.

8 d. failure to have funds to meet the Village's obligations.

9 e. sale, assignment or transfer of the Village Project prior to completion thereof.

10 f. Village abandons the Village Project. Abandonment shall be deemed to have
11 occurred when work stops on the Village's Property for more than thirty (30) days for any
12 reason other than Uncontrollable Circumstances.

13 **18.3 Remedies for Default.**

14 In the case of an Event of Default hereunder:

15 a. The defaulting party shall, upon written notice from the non-defaulting party,
16 take immediate action to cure or remedy such Event of Default. If, in such case, any monetary
17 Event of Default is not cured, or if in the case of a nonmonetary Event of Default, action is not
18 taken or not diligently pursued, or if action is taken and diligently pursued but such Event of
19 Default or breach shall not be cured or remedied within a reasonable time, but in no event more
20 than 60 additional days unless extended by mutual agreement, the non-defaulting party may
21 institute such proceedings as may be necessary or desirable in its opinion to cure or remedy
22 such default or breach, including, but not limited to, proceedings to compel specific
23 performance of the defaulting party's obligations under this Agreement.

1 b. In case the Village shall have proceeded to enforce its rights under this
2 Agreement and such proceedings shall have been discontinued or abandoned for any reason ,
3 then, and in every such case, Developer and the Village shall be restored respectively to their
4 several positions and rights hereunder, and all rights, remedies and powers of Developer and
5 the Village shall continue as though no such proceedings had been taken.

6 c. In the case of an Event of Default by Developer, in addition to any other
7 remedies at law or in equity, the Village shall be relieved of its obligations under this
8 Agreement, including but not limited to its obligations to accord Developer, "exclusive"
9 developer status as set forth in Article V, its obligations to convey any additional land to
10 Developer, its obligation to grant Developer any rights of first refusal, if any.

11 d. Upon the occurrence of a "Penalty Event" as defined in Exhibit "J", the Village
12 may draw on the LOC, if Developer does not cure said Penalty Event within thirty (30) days
13 after written notice from the Village.

14 Notwithstanding the above, for as long as Developer diligently performs and progresses
15 with its plans pursuant to the schedule set forth in Exhibit "J" to complete Developer's Project
16 on Developer's Property, Village will refrain from enforcing remedies herein which would have
17 the effect of terminating this Agreement or relieving the Village of its obligations or
18 relinquishing any of Developer rights hereunder and this Agreement shall remain in effect.

19 **18.4** Intentionally omitted.

20 **18.5** Agreement to Pay Attorneys' Fees and Expenses. In the event an Event of Default is
21 not cured within the applicable cure periods and the Parties employ an attorney or attorneys or
22 incur other expenses for the collection of the payments due under this Agreement or the
23 enforcement of performance or observance of any obligation or agreement herein contained, the
24 non-prevailing party shall pay, on demand, the prevailing party's reasonable fees of such

1 attorneys and such other reasonable expenses in connection with such enforcement action. The
2 Party's duty to pay shall be subject to the Illinois Prompt Payment Act.

3 **18.6 No Waiver by Delay or Otherwise.** Any delay by either party in instituting or
4 prosecuting any actions or proceedings or otherwise asserting its rights under this Agreement
5 shall not operate to act as a waiver of such rights or to deprive it of or limit such rights in any
6 way (it being the intent of this provision that neither party should be deprived of or limited in
7 the exercise of the remedies provided in this Agreement because of concepts of waiver, laches
8 or otherwise); nor shall any waiver in fact made with respect to any specific Event of Default be
9 considered or treated as a waiver of the rights by the waiving party of any future Event of
10 Default hereunder, except to the extent specifically waived in writing. No waiver made with
11 respect to the performance, nor the manner or time thereof, of any obligation or any condition
12 under the Agreement shall be considered a waiver of any rights except if expressly waived in
13 writing.

14 **18.7 Rights and Remedies Cumulative.** The rights and remedies of the Parties to this
15 Agreement, whether provided by law or by this Agreement, shall be cumulative, and the
16 exercise of any one or more of such remedies shall not preclude the exercise by such Party, at
17 that time or different times, of any other such remedies for the same Event of Default.

18
19 **ARTICLE NINETEEN**

20 **EQUAL EMPLOYMENT OPPORTUNITY.**

21 **19.1 No Discrimination.** Developer will not discriminate against any employee or applicant
22 for employment on the basis of race, color, religion, sex or national origin. To the fullest extent
23 permitted by law, Developer will take affirmative action to ensure that applicants are employed
24 and treated during employment, without regard to their race, color, religion, sex or national

1 origin. Such action shall include, but not be limited to, the following: employment, upgrading,
2 demotion, transfer, recruitment, recruitment advertising, layoff, termination, rate of pay or
3 other forms of compensation and selection for training, including apprenticeship. Developer
4 agrees to post in conspicuous places, available to employees and applicants for employment,
5 notices to be provided by the Village setting forth the provisions of this nondiscrimination
6 clause.

7 **19.2 Advertisements.** Developer will, in all solicitations or advertisements for employees
8 placed by or on behalf of Developer, state that all qualified applicants will receive consideration
9 for employment without regard to race, color, religion, sex or national origin.

10 **19.3 Contractors.** Any contracts made by Developer with any general contractor, agent,
11 employee, independent contractor or any other Person in connection with Developer's Project
12 shall contain language similar to that recited in Section 19.1 and 19.2 above.

13 **ARTICLE TWENTY**

14 **PARKING OBLIGATIONS**

15
16
17 **20.1 Office Building Parking.** The Village and Developer acknowledge that the only source
18 of parking for Parcel 9, Lot 1 is the Village's Parking Garage. As set forth in Section 8.9, the
19 Village shall guarantee to the Developer the right to use 334 parking spaces within the garage to
20 service Developer's office building ("Mandatory Parking Spaces"). Said right to use shall be
21 evidenced by issuance by the Village of one parking permit for each of the 334 parking spaces.
22 Each permit shall run to the benefit of Parcel 9, Lot 1 and not to the Developer personally and
23 each such permit shall authorize exclusive use of said Mandatory Parking Spaces during the
24 hours of 6:00 am through 6:00 pm Monday through Friday or such other hours and days as may
25 be reasonably required in order to accommodate the tenants of the office building (hereinafter

1 "Specified Hours".) During all other times, the exclusive use shall cease and the Mandatory
2 Parking Spaces shall be available for public use. The Mandatory Parking Spaces shall be
3 delineated in the OEA. Developer and Village agree that such Mandatory Parking Spaces may
4 be relocated within the Garage once the parking deck is completed and traffic patterns within
5 the parking deck are determined; provided, however, the relocation of the Mandatory Parking
6 Spaces must be approved by the Village and Developer. Said permits shall commence upon
7 issuance of an occupancy certificate for the office building and shall terminate upon demolition
8 of the office building on Parcel 9, Lot 1, subject, however, to Developer's right to rebuild as
9 provided in the OEA (the "Parking Term").

10 Village hereby grants Developer a right of first refusal to obtain not more than sixty-four
11 (64) additional permits for the exclusive use of Parcel 9, Lot 1 ("Required Parking Spaces").
12 Developer shall be deemed to have exercised said right upon the issuance of the certificate of
13 occupancy for the office building. The Required Parking Spaces shall be subject to the same
14 conditions imposed on the Mandatory Parking Spaces. Said permits shall only be used to serve
15 the users of the office building. Developer shall not be permitted to sell said permits to a third
16 party and it shall not be permitted to receive any consideration from a third party for the use of
17 said spaces except in connection with a lease agreement with a tenant in the office building on
18 Parcel 9, Lot 1. Developer shall pay the published annual commuter parking fee for the
19 Required Parking Spaces, annually, during the Parking Term.

20 Developer shall pay sixty (\$60.00) dollars per year per permit for maintenance of the
21 Mandatory Parking Spaces and Required Parking Spaces reserved to Developer (the
22 "Maintenance Fee") by said permits. Said Maintenance Fee shall be paid January 1, of each year
23 in advance. The first year's payment shall be due upon completion of the parking garage and
24 shall be prorated from the date of completion of the garage. Said rate shall remain in effect for

1 five (5) years, thereafter the rate shall be adjusted for inflation based on the Municipal Cost
 2 Index published annually in September by the American City and County Association. The
 3 maintenance fee shall be a covenant running with the land in Parcel 9, Lot 1.

4 All of these obligations and conditions (including maintenance obligations) shall be
 5 incorporated into the OEA.

6 **20.2 Retail Building Parking.** The Village hereby guarantees the right to use 50 parking
 7 spaces within the garage to service the retail building on Parcel 9, Lot 2 (the "Retail Parking
 8 Spaces"). The Retail Parking Spaces shall be designated in the OEA. Users of the Retail Parking
 9 Spaces will not be required to pay any fee. Parking at the Retail Parking Spaces shall be limited
 10 to for the first three (3) hours of use. The Village will place signs reasonably acceptable to
 11 Developer at each of the Retail Parking Spaces indicating that such space is for retail use only.

12 **20.3 Parking as a Condition Precedent.** The Village acknowledges and agrees that the
 13 Mandatory Parking Spaces and the Required Parking Spaces are the sole source of parking for
 14 the office building to be located on Parcel 9, Lot 1 and that without the construction of the
 15 Parking Garage, Developer would not proceed with the Office/Retail Project since the
 16 Office/Retail Project will not comply with laws or be economically feasible. Accordingly, the
 17 recording of the executed OEA shall be a condition precedent to the Initial Closing.

18 The Developer acknowledges and agrees that the Village's commuter parking needs are
 19 limited to 850 spaces and that it is only constructing 1,250 spaces to provide parking for the
 20 Developer's office building. Without the construction of the office building, the Village will not
 21 proceed with the 1,250 space parking garage. Provided the Village retains the Alter Group as its
 22 general contractor, the start of construction of the office building at the same time the parking
 23 deck construction starts, shall be a condition precedent to Village's obligations hereunder with

1 respect to providing parking for the office building and for its other obligations with respect to
2 Parcel 1, Lots 1 to 2, 5 through 9, inclusive and 11.

3 ARTICLE TWENTY-ONE

4 CONSTRUCTION CONTRACT

5
6 Prior to the Initial Closing Date, the Village shall use reasonable efforts to enter into a
7 guaranteed maximum price contract with the Alter Group for construction of the parking
8 garage so that it may be constructed concurrently with construction of the office building. In
9 the event that the Village enters into said construction contract with a party other than the Alter
10 Group, then notwithstanding anything else contained herein, Developer shall not be required to
11 commence construction of the office building on Parcel 9, Lot 1 until commencement of erection
12 of the horizontal precast members on the parking garage. If the Village executes said
13 construction contract with a party other than the Alter Group, Developer may nevertheless
14 commence work on the Residential Project even though it has not commenced work on the
15 office building.

16 ARTICLE TWENTY-TWO

17 MISCELLANEOUS PROVISIONS.

18 **22.1 Cancellation.** In the event Developer or the Village shall be prohibited in any material
19 respect, from performing covenants and agreements or enjoying the rights and privileges herein
20 contained, or contained in the Redevelopment Plan, including Developer's duty to build
21 Developer's Project, by the order of any court of competent jurisdiction, or in the event that all
22 or any part of the Act or any ordinance adopted by the Village in connection with the
23 Redevelopment Project, shall be declared invalid or unconstitutional, in whole or in part, by a
24 final decision of a court of competent jurisdiction and such declaration shall materially affect

1 the Redevelopment Plan or the covenants and agreements or rights and privileges of Developer
2 or the Village, then and in any such event, the party so materially affected may, at its election,
3 cancel or terminate this Agreement in whole (or in part with respect to that portion of the
4 Redevelopment Project materially affected) by giving written notice thereof to the other within
5 sixty (60) days after such final decision or amendment. If the Village terminates this Agreement
6 pursuant to this Section 22.1, to the extent it is then appropriate, the Village, at its option, may
7 also terminate its duties, obligation and liability under all or any related documents and
8 agreements provided, however, that (i) the cancellation or termination of this Agreement shall
9 have no effect on the authorizations granted to Developer for buildings permitted and under
10 construction to the extent permitted by said Court order; and (ii) in the event that a certificate of
11 completion has been issued for the office building, the Village shall not terminate the permits
12 for Mandatory or Required Parking Spaces to the extent permitted by said Court order and (iii)
13 the cancellation or termination of this Agreement shall have no effect on perpetual easements
14 contained in any recorded document.

15 **22.2 Notices.** All notices, certificates, approvals, consents or other communications desired
16 or required to be given hereunder shall be given in writing at the addresses set forth below, by
17 any of the following means: (a) personal service, (b) electronic communications, whether by
18 telex, telegram or telecopy, (c) overnight courier, or (d) registered or certified first class mail,
19 postage prepaid, return receipt requested.

20 If to Village: Village of Palatine
21 200 E Wood Street
22 Palatine, IL 60067
23 Attn: Village Clerk
24

25 With a copy to: Village of Palatine
26 200 E Wood Street
27 Palatine, IL 60067
28 Attn: Village Manager

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With a copy to: Schain, Burney, Ross & Citron, Ltd.
222 N. LaSalle Street, Suite 1910
Chicago, IL 60601
Attn: Thomas R. Burney

If to Developer: Joseph Freed and Associates, LLC
1400 S. Wolf Road, Building 100
Wheeling, IL 60090
Attn: Robert Fink

with a copy to: Robert Fink
Dennis Harder
Thomas Fraerman
Joseph Freed & Associates, LLC
1400 S. Wolf Road, Building 100
Wheeling, IL 60090

The Parties, by notice hereunder, may designate any further or different addresses to which subsequent notices, certificates, approvals, consents or other communications shall be sent. Any notice, demand or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier, and any notices, demands or requests sent pursuant to clause (d) shall be deemed received forty-eight (48) hours following deposit in the mail.

22.3 Time of the Essence. Time is of the essence of this Agreement.

22.4 Integration. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the Parties. Further, upon execution of this Agreement by the parties, the Village's and Developer's obligations under the Agreement dated January 8, 2001 concerning certain pre-development expenses is hereby of no further legal force or effect.

1 **22.5 Counterparts.** This Agreement may be executed in several counterparts, each of which
2 shall be an original and all of which shall constitute but one and the same Agreement.

3 **22.6 Recordation of Agreement.** The Parties agree to record this Agreement in the
4 appropriate land or governmental records.

5 **22.7 Severability.** If any provision of this Agreement, or any Section, sentence, clause,
6 phrase or word, or the application thereof, in any circumstance, is held to be invalid, the
7 remainder of this Agreement shall be construed as if such invalid part were never included
8 herein, and this Agreement shall be and remain valid and enforceable to the fullest extent
9 permitted by law.

10 **22.8 Choice of Law.** This Agreement shall be governed by and construed in accordance with
11 the laws of the State of Illinois.

12 **22.9 Illinois Responsible Property Transfer Act.** Village and Developer each agree to
13 comply with the Illinois Responsible Property Transfer Act ("IRPTA"), as appropriate.

14 **22.10 Entire Contract and Amendments.** This Agreement (together with the exhibits attached
15 hereto) is the entire contract between the Village and Developer relating to the subject matter
16 hereof, supersedes all prior and contemporaneous negotiations, understandings and
17 agreements, written or oral, between the Village and Developer, and may not be modified or
18 amended except by a written instrument executed by the Parties hereto.

19 **22.11 Third Parties.** Nothing in this Agreement, whether expressed or implied, is intended to
20 confer any rights or remedies under or by reason of this Agreement on any other persons other
21 than the Village and Developer, nor is anything in this Agreement intended to relieve or
22 discharge the obligation or liability of any third persons to either the Village or Developer, nor
23 shall any provision give any third parties any rights of subrogation or action over or against

1 either the Village or Developer. This Agreement is not intended to and does not create any
2 third party beneficiary rights whatsoever.

3 **22.12 Waiver.** Any party to this Agreement may elect to waive any right or remedy it may
4 enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in
5 writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or
6 shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this
7 Agreement.

8 **22.13 Cooperation and Further Assurances.** The Village and Developer each covenants and
9 agrees that each will do, execute, acknowledge and deliver or cause to be done, executed and
10 delivered, such agreements, instruments and documents supplemental hereto and such further
11 acts, instruments, pledges and transfers as may be reasonably required for the better clarifying,
12 assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the
13 Village or Developer or other appropriate persons all and singular the rights, property and
14 revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect
15 of this Agreement.

16 **22.14 Successors in Interest.** This Agreement shall be binding upon and inure to the benefit
17 of the Parties hereto and their respective authorized successors and assigns; provided, however,
18 that, except as provided in Section 10.10 hereof, Developer may not assign its rights under this
19 Agreement without the express written approval of the Village. Notwithstanding anything
20 herein to the contrary, the Village may not delegate its obligation hereunder or except as
21 provided herein, transfer any interest in the Village Property without the express written
22 approval of Developer; provided, however, if Developer fails to acquire Phase 2 or Phase 3 in
23 accordance herewith, nothing shall herein prohibit the Village from conveying Phase 2 or Phase

24 3.

1 22.15 Intentionally omitted.

2 22.16 No Joint Venture, Agency or Partnership Created. Nothing in this Agreement, or any
3 actions of the Parties to this Agreement, shall be construed by the Parties or any third person to
4 create the relationship of a partnership, agency or joint venture between or among such parties.

5 22.17 No Personal Liability of Officials of Village or Developer. No covenant or agreement
6 contained in this Agreement shall be deemed to be the covenant or agreement of the Mayor,
7 Village Council member, Village Manager, any official, officer, partner, member, director, agent,
8 employee or attorney of the Village or Developer, in his or her individual capacity, and no
9 official, officer, partner, member, director, agent, employee or attorney of the Village or
10 Developer shall be liable personally under this Agreement or be subject to any personal liability
11 or accountability by reason of or in connection with or arising out of the execution, delivery and
12 performance of this Agreement, or any failure in that connection.

13 22.18 Repealer. To the extent that any ordinance, resolution, rule, order or provision of the
14 Village's code of ordinances, or any part thereof, is in conflict with the provisions of this
15 Agreement, the provisions of this Agreement shall be controlling to the extent lawful.

16 22.19 Term. This Agreement shall remain in full force and effect for twenty-three (23) years
17 from the date the Entire Redevelopment Project Area was created, unless the Redevelopment
18 Plan with respect to the Redevelopment Project is extended or until termination of the
19 Redevelopment Project Area or until otherwise terminated pursuant to the terms of this
20 Agreement; provided, however, that the Developer's construction obligations hereunder shall
21 terminate pursuant to certificates of completion issued by the Village.

22 22.20 Estoppel Certificates. Each of the parties hereto agrees to provide the other, upon not
23 less than ten (10) business days prior request, a certificate ("Estoppel Certificate") certifying that
24 this Agreement is in full force and effect (unless such is not the case, in which such parties shall

1 specify the basis for such claim), that the requesting party is not in default of any term,
2 provision or condition of this Agreement beyond any applicable notice and cure provision (or
3 specifying each such claimed default) and certifying such other matters reasonably requested by
4 the requesting party. If either party fails to comply with this provision within the time limit
5 specified, it shall be deemed to have appointed the other as its attorney-in-fact for execution of
6 same on its behalf as to that specific request only.

7 **22.21 Municipal Limitations.** All municipal commitments are limited to the extent required
8 by law.

9 **ARTICLE TWENTY-THREE**

10 **MORTGAGE HOLDERS.**

11 **23.1 Notice to Mortgage Holders.** Whenever the Village shall deliver any notice or demand
12 to Developer with respect to any alleged default of this Agreement by Developer, the Village
13 shall at the same time deliver to each holder of record (a "Holder") of any mortgage, deed of
14 trust or other security interest and the lessor under any sale-leaseback or grantee under any
15 other conveyance for financing ("Security Interest") a copy of such notice or demand, provided
16 the Village has been advised of the name and address of any such Holder. Unless and until the
17 Village is notified otherwise, the only Holder that is to receive copies of notices or demands in
18 accordance with this Article is the lender identified in Section 22. Each such Holder shall
19 (insofar as the rights of the Village are concerned) have the right at its sole option within thirty
20 (30) days after the receipt of the notice, to cure or remedy or commence to cure or remedy any
21 such default; provided, however, in the event of a default by Developer under this Agreement
22 which is not curable by such Holder (e.g., insolvency or bankruptcy or the need to take
23 possession of property), such Holder shall be deemed to have cured such non-curable defaults
24 by its execution of the assumption agreement contemplated in the later portions of this Section

1 23.2. Such Holder and its successors in interest shall be deemed only to have assumed the
2 obligation of Developer for as long as such Holder has an interest in and possession of a portion
3 of the Property but only pursuant to the terms of an Assumption and Assignment Agreement in
4 a form reasonably acceptable to Holder and Village. No Holder shall be obligated by the
5 provisions of this Agreement to construct or complete any improvements or to guarantee such
6 construction or completion, notwithstanding the collateral assignment of this Agreement to
7 such Holder by Developer. Nothing contained in this Agreement shall be deemed to permit or
8 authorize any Holder or successor to undertake or continue the construction or completion of
9 any improvements (beyond the extent necessary to conserve or protect the improvement or
10 construction already made) until such holder or successor shall expressly assume the
11 obligations of Developer (with respect to the portion of the Property in which the Holder has a
12 Security Interest) to the Village as set forth in this Agreement by written agreement reasonably
13 satisfactory to the Village. No such assumption agreement will relieve Developer of any of its
14 obligations under this Agreement. Any such Holder or other entity properly completing such
15 improvements shall be entitled, upon written request made to the Village, to Certificates of
16 Completion from time to time from the Village with respect to such improvements. Nothing in
17 this Section 23.1 shall be deemed to grant any such Holder referred to in this Section 23.1 any
18 rights or powers beyond those granted under such Holder's underlying agreement with
19 Developer. Each Holder by recording its encumbrance against the Property agrees that this
20 Redevelopment Agreement and the obligations hereunder shall remain superior to such lien
21 subject to the provisions of a tri-party agreement entered into by Village, Developer and Holder
22 prior to the Initial Closing ("Tri-Party Agreement"). In particular, each Holder agrees to be
23 bound by the limitations or encumbrances and release provisions set forth in Paragraph 7.5.

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ARTICLE TWENTY-FOUR

EFFECTIVENESS

The Effective Date for this Agreement shall be the day on which this Agreement is fully executed pursuant to duly enacted Village ordinance authorizing the execution of and adoption this Agreement. Developer shall execute this Agreement not later than fourteen (14) days after receipt of the IEPA Plan in a form acceptable to Developer.

[SIGNATURES APPEAR ON NEXT PAGE]

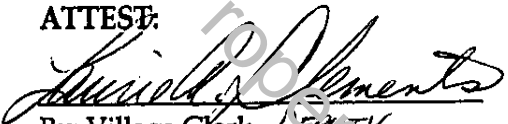
Property of Cook County Clerk's Office

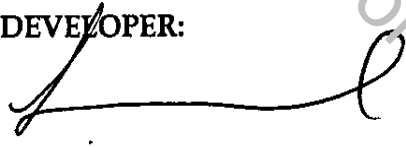
UNOFFICIAL COPY

1 IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be
2 executed on or as of the day and year first above written.

3
4 VILLAGE OF PALATINE, an Illinois
5 municipal corporation

6
7 
8 _____
9 By: Village Manager

10
11 ATTEST:
12 
13 By: Village Clerk - *L. H. Freed*

14
15 DEVELOPER:
16 
17 _____
18 By: Joseph Freed and Associates LLC
19 Name: Laurance H. Freed
20 Its: Manager

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24 G:\HOME\RHL\AGREEMEN\PALATINE\Freed\Redevelopment-Agr-CLN5.doc

PROPERTY OF COOK COUNTY CLERK'S OFFICE

EXHIBIT "A"**An Area Bounded As Follows:**

Beginning at the intersection of Wood Street and Plum Grove Road; thence south along Plum Grove Road to Slade Street; thence east along Slade Street to Hale Street; thence south along Hale Street to a line that is parallel to and 5 feet north of the south property line of Lot 4 in Block O in Territory in the Town of Palatine thence east along this line to the east line of aforesaid Lot 4; thence south along the east line of Lot 4 a distance of 5 feet; thence east along the south lot lines of Lots 1 through 3 in aforesaid Block O to Benton Street; thence south along Benton Street to Palatine Road; thence west along Palatine Road to Hale Street; thence south along Hale Street and Hale Street extended to Washington Street; thence west along Washington Street to Plum Grove Road; thence north along Plum Grove Road to Johnson Street; thence west along Johnson Street to Brockway Street; thence north along Brockway Street to the northeast corner of Lot 5 in Block C in the subdivision of the north 24.60 acres in the northeast quarter of the northeast quarter of Section 22, Township 42 North, Range 10 East of the Third Principal Meridian, thence west along the north line of Lots 5 through 8 in aforesaid Block C to Greeley Street; thence south along Greeley Street to the north line of Union Cemetery; thence west along the north line of Union Cemetery to the west line of Union Cemetery; thence south along the west line of Union Cemetery to the south line of Lot 48 in Warneke's Addition to Palatine; thence east along the south line of aforesaid Lot 48 a distance of 120 feet; thence south along the west line of Lots 49 through 52 in Warneke's Addition to Palatine and this west line extended to the southwest corner of aforesaid Lot 52; thence west along the north line of Lot 1 in Arthur T. McIntosh & Co's Plum Grove Road Development and the north line of R. Houston Jr. & Sons Glen Tyan Manor to the east line of Lot 18 in Block 6 in R. Houston & Sons Glen Tyan Manor; thence northerly and northeasterly along the east line of Lots 13 through 18 in Block 6 in R. Houston & Sons Glen Tyan Manor to the south line of Kinsch's Subdivision; thence west along the south line of Kinsch's Subdivision to the west line of Kinsch's Subdivision; thence north along the west line a distance of 77 feet; thence east a distance of 23 feet; thence continuing north along the west line of Kinsch's Subdivision a distance of 232 feet to the north line of Kinsch's Subdivision; thence east along the north line a distance of 182.70 feet; thence north a distance of 235.5 feet to Johnson Street; thence easterly along Johnson Street to the southwest corner of Lot 32 in Gorsline's Addition to Palatine; thence north along the west line of Lots 32 and 13 in Gorsline's Addition to Palatine to Palatine Road; thence east along Palatine Road to the northeast corner of the west half of Lot 7 in Gorsline's Addition to Palatine; thence south along the east line of the west half of aforesaid Lot 7 to the south line of Lot 7; thence east along the south line of Lots 1 through 7 in Gorsline's Addition to Palatine to the southeast corner of Lot 1 in Gorsline's Addition to Palatine; thence north along the east side of aforesaid Lot 1 to Palatine Road; thence westerly along Palatine Road to the southeast corner of the west 51 feet of Lot 7 In Block M in W.J. Lytle's Subdivision; thence north along the east side of the west 51 feet of aforesaid Lot 7 to the North line of Lot 7; thence west to the southeast corner of the west 33 feet of Lot 2 in aforesaid Block M; thence north along the east line of the west 33 feet of

aforsaid Lot 2 to Slade Street; thence west along Slade Street to the southeast corner of Lot 6 in Block L in W.J. Lytle's Subdivision; thence north along the east line of Lot 6 and 3 in Block L in W. J. Lytle's Subdivision to Wilson Street; thence west along Wilson Street to the southeast corner of Lot 3 in N. Mersch's Subdivision, thence north along the east line of Lot 3 in N. Mersch's Subdivision to the northeast corner of Lot 3; thence west along the north line of Lot 3 and Lot 3 extended to the east line of Lot 4 in Tin's Addition to Palatine; thence south along the east line of Lot 4 in Tin's addition to the northeast corner of Lot 5 in Tin's Addition to Palatine; thence west along the north line of Lots 5 through 13 in Tin's Addition to Maple Street; thence north along Maple Street to the northeast corner of Lot 12 in Schram's Subdivision; thence west along the north line of Lots 5 and 12 in Schram's Subdivision to Cedar Street; thence south along Cedar Street to Wilson Street; thence west along Wilson Street to the southwest corner of Lot 41 in Arthur T. McIntosh & Co.'s Palatine Farms; thence north along the west line of Lot 41 a distance of 147 feet; thence northeasterly a distance of 161.44 feet to a point on the west line of Lot 11 in Tudyman's Subdivision; thence north along the west line of Lot 11 in Tudyman's Subdivision and the east line of Lot 28 in Arthur T. McIntosh & Co.'s Palatine Farms to a line that is 80 feet north of and parallel to the south line of aforesaid Lot 28; thence west along aforesaid parallel line to the west line of aforesaid Lot 28; thence north along the west line of Lot 28 to Wood Street; thence west along Wood Street to the southeast corner of Lot 14 in Imperial Industrial Park; thence north along the east line of Imperial Industrial Park to the south line of Romark's Resubdivision; thence east along the south line of Romark's Resubdivision to the east line of Romark's Resubdivision; thence north along the east line of Romark's Resubdivision to the right-of-way of the Union Pacific Railroad; thence southeasterly along the railroad right-of-way to the southwest corner of Lot 1 in Millin's Subdivision; thence north along the west line of Lot 1 in Millin's Subdivision to Colfax Street; thence east on Colfax Street to Smith Street; thence north on Smith Street to the northeast corner of the south 90 feet more or less of Lot 2 in the subdivision of part of the east 1/2 of the southeast 1/4 section of Section 15, Township 42 north, Range 10 East of the Third Principal Meridian; thence east a distance of 212 feet; thence south a distance of 66 feet; thence east a distance of 79.8 feet; thence north a distance of 115 feet more or less; thence east a distance of 89.45 feet; thence south a distance of 136.68 feet; thence east a distance of 65.30 feet; thence south to Colfax Street; thence west on Colfax Street to Smith Street; thence south on Smith Street to Wood Street; thence southeasterly and east on Wood Street to Plum Grove Road and the point of beginning; all in the west half of the southwest quarter of Section 14, the east half of the southwest quarter and the southeast quarter of Section 15, the northeast quarter of Section 22 and the west half of the northwest quarter of Section 23, Township 42 North, Range 10, East of the Third Principal Meridian, Cook County, Illinois.

Freed Redevelopment Agreement Draft 6/13/01

EXHIBIT "B"

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Legal Descriptions for Property
or Redevelopment Project Area

Parcel 9

Lots 1, 2, 3 and 4 in Millin's subdivision, being a subdivision of part of the southeast quarter of Section 15, Township 42 North, Range 10 east of the Third Principal Meridian, according to the Plat thereof recorded June 17, 1970, as Document Number 21186867, in Cook County, Illinois.

ALSO

That part of the northwest quarter of the southeast quarter of Section 15, Township 42 North, Range 10 east of the Third Principal Meridian, described as follows:

Beginning at a point in the west line of Smith Street at the intersection of the south line of Colfax Street extended west; thence south along the west line of Smith Street, 132.00 feet; thence west 132.00 feet parallel with the south line of Colfax Street extended west; thence north 132.00 feet to a point in the south line of Colfax Street extended west; thence east along the south line of Colfax Street extended west to the point of beginning, excepting therefrom the north 17.00 feet and the east 17.00 feet thereof dedicated for public streets by Plat of Dedication recorded July 1, 1971 as Documented Number 21521353, all in Cook County, Illinois

(Legal prepared by Spaceco 2/13/01 revised 2/14/01)
Legal Verified with survey ____ by ____

Parcel 9-A

Parcel 9-B

Parcel 1 and Parcel 2

That part of the south half of Section 15, Township 42 North, Range 10 east of the Third Principal Meridian, described as follows:

Beginning at the southwest corner of Lot 20 in Arthur T. McIntosh & Company's Palatine Farms being a subdivision, in said section 15, according to the plat thereof recorded June 16, 1919 as Document Number 655098, also being a point on the north line of Wood Street; thence north 00 degrees 07 minutes 41 seconds east along an assumed bearing, being the west line of said Lot 20 a distance of 718.52 feet (718.37 record) to the northwest corner thereof, also being a point on the southwesterly right of way line of the Chicago & Northwestern Railroad as occupied, said occupied line being 73.00 feet southwesterly of and parallel with the centerline of the eastbound track; thence south 59 degrees 09 minutes 06 seconds east along said southwesterly right of way line 1408.88 feet to the intersection with the easterly extension of the north line of Wood Street as shown on said Palatine Farms; thence north 89 degrees 48 minutes 55 seconds west on the last described north line 1211.17 feet to the point of beginning, in Cook County, Illinois.

(Legal prepared by Spaceco 2/13/01)
Legal verified with survey ____ by ____

EXHIBIT "C"

1

2

3 Intentionally omitted.

4

Property of Cook County Clerk's Office

Exhibit D

Legal Description for Parcel 9

Lots 1, 2 and 3 in Gateway Center, being a subdivision of part of the southeast quarter of Section 15, Township 42 North, Range 10 East of the Third Principal Meridian, Cook County, Illinois.

Property of Cook County Clerk's Office

EXHIBIT "E"

Parking Facility Plans

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8 page document

page1 North and West elevations of deck
The Alter Group
no date

page 2 North, South, East and West Elevations
The Alter Group
dated 4/16/01

page 3 Isometric and Striping Details
Walker Parking Consultants
dated 2/9/01
revised 3/1/01
revised 3/23/01

page 4 Ground Tier Plan
Walker Parking Consultants
dated 2/9/01
revised 3/1/01
revised 3/23/01

page 5 Second Tier Plan
Walker Parking Consultants
dated 2/9/01
revised 3/1/01
revised 3/23/01

page 6 Third Tier Plan
Walker Parking Consultants
dated 2/9/01
revised 3/1/01
revised 3/23/01

page 7 Fourth Tier Plan
Walker Parking Consultants
dated 2/9/01
revised 3/1/01
revised 3/23/01

page 8 Top Tier Plan
Walker Parking Consultants
dated 2/9/01
revised 3/1/01
revised 3/23/01

Property of Cook County Clerk's Office

EXHIBIT "F"

Residential Plans

[Plans approved by City Council]

- 5 37 page document
- 6
- 7 pages 1-12 The Groves of Palatine
- 8 Joseph Freed Homes
- 9 by Hartshore & Plunkard Architecture
- 10 dated 4/03/01
- 11 page 1 Overall Elevation
- 12 page 2 Site Plan
- 13 page 3 Condo Basement Floor Plan
- 14 page 4 Condo Main Floor Plan
- 15 page 5 Condo Typical Floor Plan
- 16 page 6 Condo Penthouse Floor Plan
- 17 page 7 Condo Front / Side Elevation
- 18 page 8 Condo Front / Side Elevation
- 19 page 9 Rowhouse Floor Plans
- 20 page 10 Rowhouse Floor Plans
- 21 page 11 Front Rowhouse Elevations
- 22 page 12 Rear Rowhouse Elevations
- 23 page 13 Preliminary Landscape Development Plans for
- 24 Groves of Palatine
- 25 by Countryside Landscape Architects & Contractors
- 26 3/28/01
- 27 pages 14-17 Overall Conceptual Landscape Design
- 28 Detailed Foundation Plans
- 29 Detailed common Area Plans
- 30 Planting and Construction Details
- 31 page 18 Tree Preservation Study
- 32 pages 19-33 by Spaceco, Inc.
- 33 dated 3/23/01
- 34 page 19 Site Improvement Plans
- 35 page 20 Typical Sections and General Notes
- 36 page 21 Existing conditions
- 37 dated 3/23/01
- 38 page 22 Overall Site Plan
- 39 dated 3/23/01
- 40 pages 23-24 Tree Survey - 1
- 41 dated 3/23/01
- 42 pages 25-26 Geometric Plan - Phase 1
- 43 dated 3/23/01

County Clerk's Office

EXHIBIT F - PAGE 2

1

2 pages 27-28 Grading Plan - Phase 1
3 dated 3/23/01

4 pages 29-30 Utility Plan - Phase 1
5 dated 3/23/01

6 pages 31-33 Stormwater Pollution Prevention Plan
7 dated 3/23/01

8 page 34 Plat of Subdivision
9 dated 4/16/01

10 page 35 Plat of Subdivision
11 date illegible

12 revised date illegible
13 page 36 Plat of Subdivision

14 dated 1/25/01
15 revised 1/28/01

16 page 37 Plat of Vacation
17 dated 1/23/01

18 revised 3/29/01

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Proprietor of Cook County Clerk's Office

EXHIBIT "F-1"

Office/Retail Plans

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16 page document

page 1 Preliminary Landscape and Site Lighting Plan
by Daniel Weinbach & Partners, Ltd. Landscape Architects
and the Alter Group
revised date 3/28/01

pages 2-5 Two Story Detail
by HKM Architects & Planners, Inc.
dated 5/9/01

page 2 East Elevation

page 3 Massing Concept

page 4 Second Floor Plan (showing potential lease plan)

page 5 First Floor Plan (showing potential lease plan)

page 6-7 South Elevation Office and Roof Screening System
by The Alter Group

page 8-9 Site Improvement Plans
by Spaceco, Inc.
dated 3/23/01

page 10 Existing Conditions
by Spaceco, Inc.
dated 3/23/01

page 11 Geometric Plan
by Spaceco, Inc.
dated 3/23/01

page 12 Grading Plan
by Spaceco, Inc.
dated 3/23/01

page 13 Utility Plan
by Spaceco, Inc.
dated 3/23/01

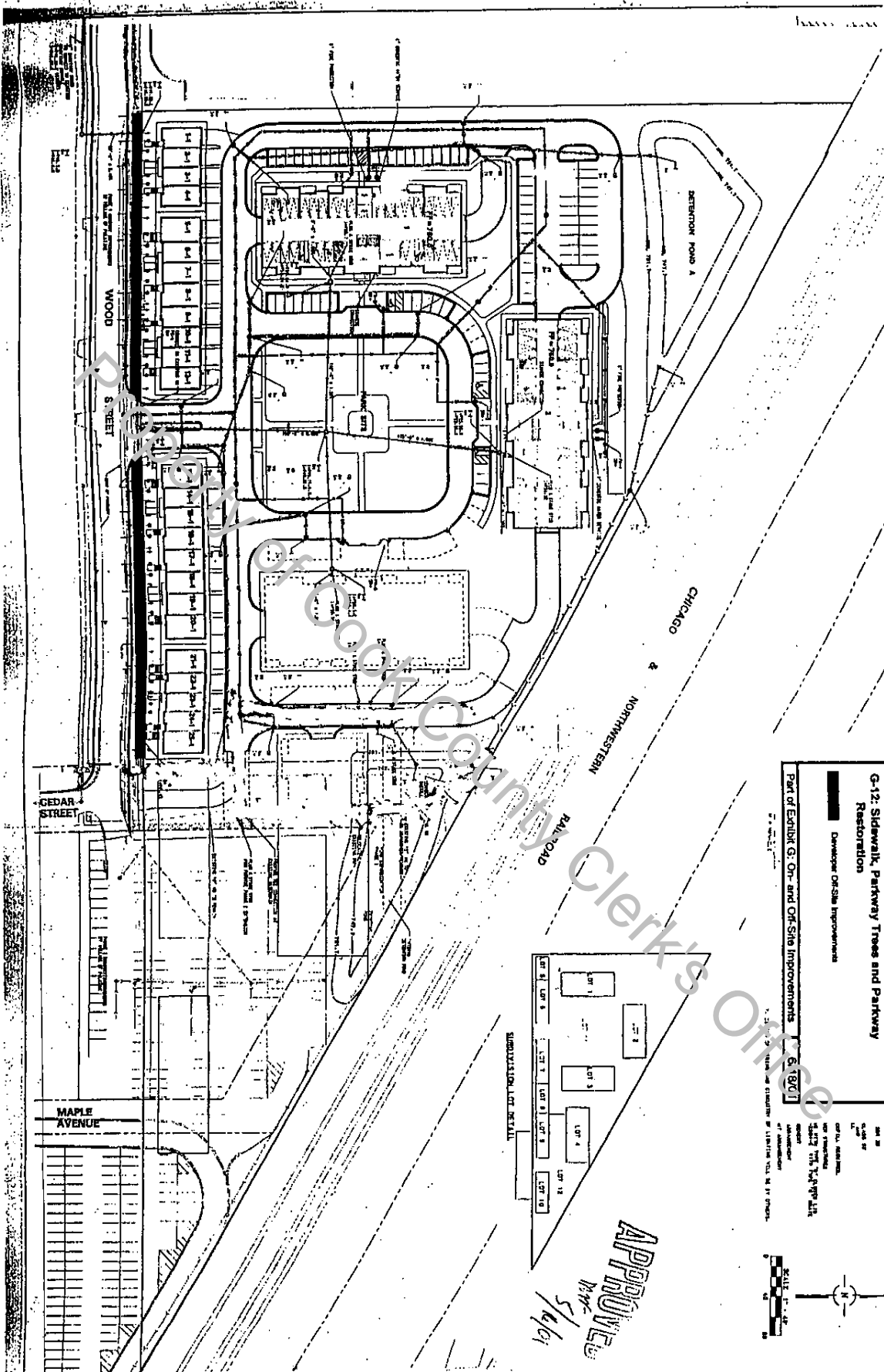
page 14 Soil Erosion Control Plan
dated 3/23/01

pages 15-16 Plat of Subdivision
by Spaceco, Inc.
3/23/01

PRELIMINARY
Cook County Clerk's Office

Sheet Reference	Location	Parcel 9 - Commercial			Parcel 1, 2 - Residential		
		Scope Information	Payment Responsibility	Developer	Scope Information	Phase	Payment Responsibility
		Burial of Overhead Utilities	From 140' W. of the intersection with Carter to east side of Smith Street	Electric, Cable, Telephone	48% - Village, 52% - Developer		
G-1	Colfax Street	From Colfax to N. side of RR ROW	Electric, Cable, Telephone	100%	100%		
G-2	Smith Street	Adjacent to New Parking Deck Site	Electric, Cable, Telephone	100%	100%		
G-3	Wood Street	From west prop. Line to Cedar Street	Electric, Cable, Telephone	100%	100%		
G-4	Watermain	From Wood Street to south side RR ROW	New main, part in Smith ROW, part crossing Parcel 9 Lots 1 & 2	100%	100%		
G-5	Smith Street	Colfax/Smith to south of Meira ROW					
G-6	Cedar Street	From Wood Street to south side RR ROW					
G-7	Wood Street	From Cedar to Maple					
G-8	Sanitary	East and south to Wood Street					
G-9	Wood Street	From existing terminus to West Prop. Line					
G-10	Wood Street	From west prop. Line to Cedar Street					
	Wood Street	From Alex. Street to north side of Wood Street					
	Wood Street	From Colfax to Railroad					
	Wood Street	From Smith to Etc.					
	Wood Street	From Woodwork to Cedar.					
	Wood Street	From Cedar to east of Maple.					
	Misc. ROW Improvements						
	Railroad Walkway	Adjacent to Meira ROW, Garage to Smith	Install Parkway				
G-11	Sidewalk Repair/Replacement	Adjacent to Office Bldg. on Colfax; Smith Street from Colfax to Meira ROW	Repair/replace sidewalks impacted by construction	100% along Lot 3, 50% along Lot 2	100% along Lots 1 and 2		
G-12	Sidewalk, Pkwy Trees and Restoration	Along N. side of Wood St. west property line to Cedar Street					
G-13	Sidewalk, Pkwy Trees and Restoration	Along N. side of Wood St. from Cedar to east of Maple Street					
G-14	Landscaping	METRA ROW	Add trees	100%			

- Notes
- 1 Overhead utilities shall be buried in public ROW or easements.
 - 2 The Village shall provide utilities at the time as set forth in Exh K, in locations and at capacities adequate to serve Developer project.
 - 3 See attached Sheets G-1 through and including G-14 for detailed location and description of "On- and Off-Site Improvements" listed above and designation of "Other Village Improvements" and "Developer's Off-Site Improvements".



Groves of Palatine Parcels 1 & 2 Palatine, Illinois		UTILITY PLAN - PHASE 1 SPACECO, INC.	
DATE: 11/14/01 DRAWN BY: [Name] CHECKED BY: [Name]	NO. 1 DATE: [] REVISIONS: []	NO. 2 DATE: [] REVISIONS: []	NO. 3 DATE: [] REVISIONS: []

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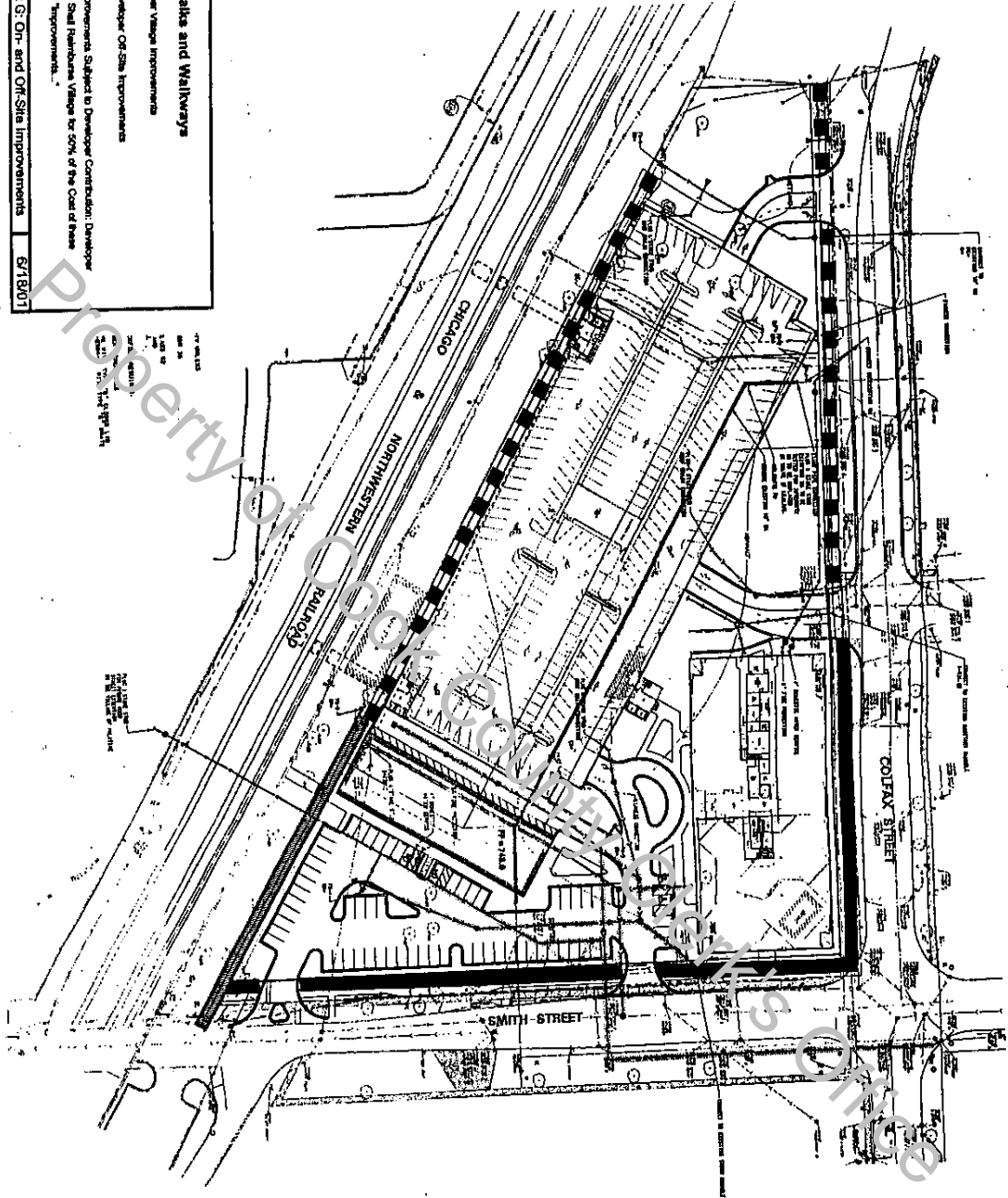
Property of Cook County Clerk's Office

UNOFFICIAL COPY

G-1: Sidewalks and Walkways

- Other Visual Improvements
- Developer Off-Site Improvements
- Improvements Subject to Developer Contribution: Developer Shall Reimburse Village for 50% of the Cost of these Improvements.

Part of Exhibit G: On- and Off-Site Improvements 5/18/07

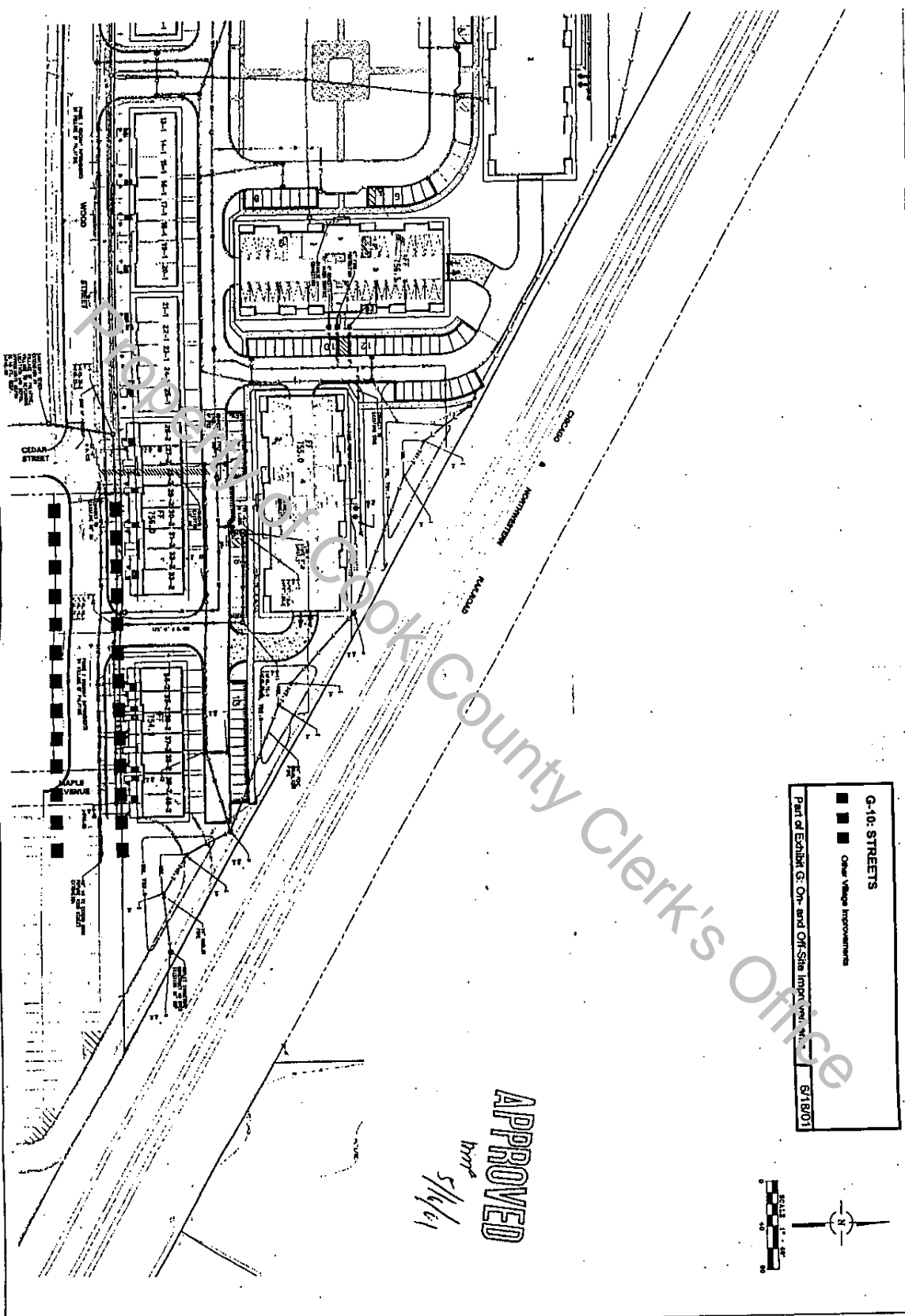


GATEWAY CENTER PARCEL 9 PALATKA, ILLINOIS		UTILITY PLAN SPACECO, INC.	
DATE: 5/18/07 DRAWN BY: [Name] CHECKED BY: [Name]	NO. DATE REMARKS	NO. DATE REMARKS	NO. DATE REMARKS

2/10/2017

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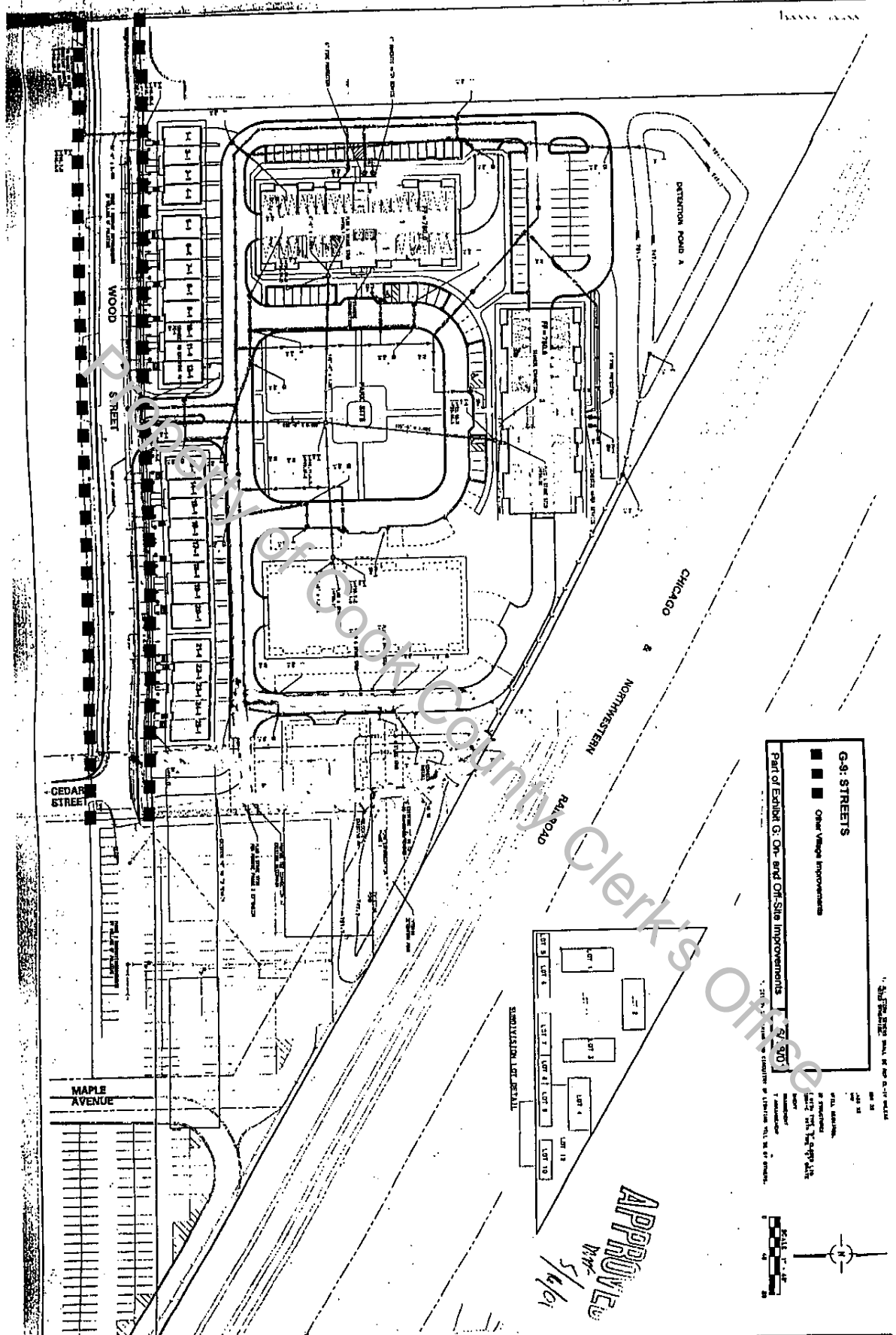
Property of Cook County Clerk's Office



APPROVED
Mark
5/14/01

G-10: STREETS ■ ■ ■ Other Utility Improvements Part of Exhibit G: On- and Off-Site Impact Statement G-10 (B)	Groves of Palatine Parcels 1 & 2 Palatine, Illinois	UTILITY PLAN - PHASE 2 SPACECO, INC.	NO. DATE REMARKS _____ _____ _____	NO. DATE REMARKS _____ _____ _____
	1/2 1/2			

UNOFFICIAL COPY



<p>Groves of Palatine Parcels 1 & 2 Palatine, Illinois</p>		<p>UTILITY PLAN - PHASE 1 SPACECO, INC.</p>		<p>DATE: _____</p>	<p>REVISIONS:</p>	<p>DATE: _____</p>	<p>REMARKS:</p>
<p>SCALE: 1" = 40'</p>	<p>PROJECT NO. _____</p>	<p>DATE: _____</p>	<p>BY: _____</p>	<p>DATE: _____</p>	<p>BY: _____</p>	<p>DATE: _____</p>	<p>BY: _____</p>

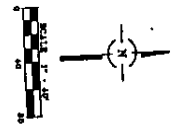
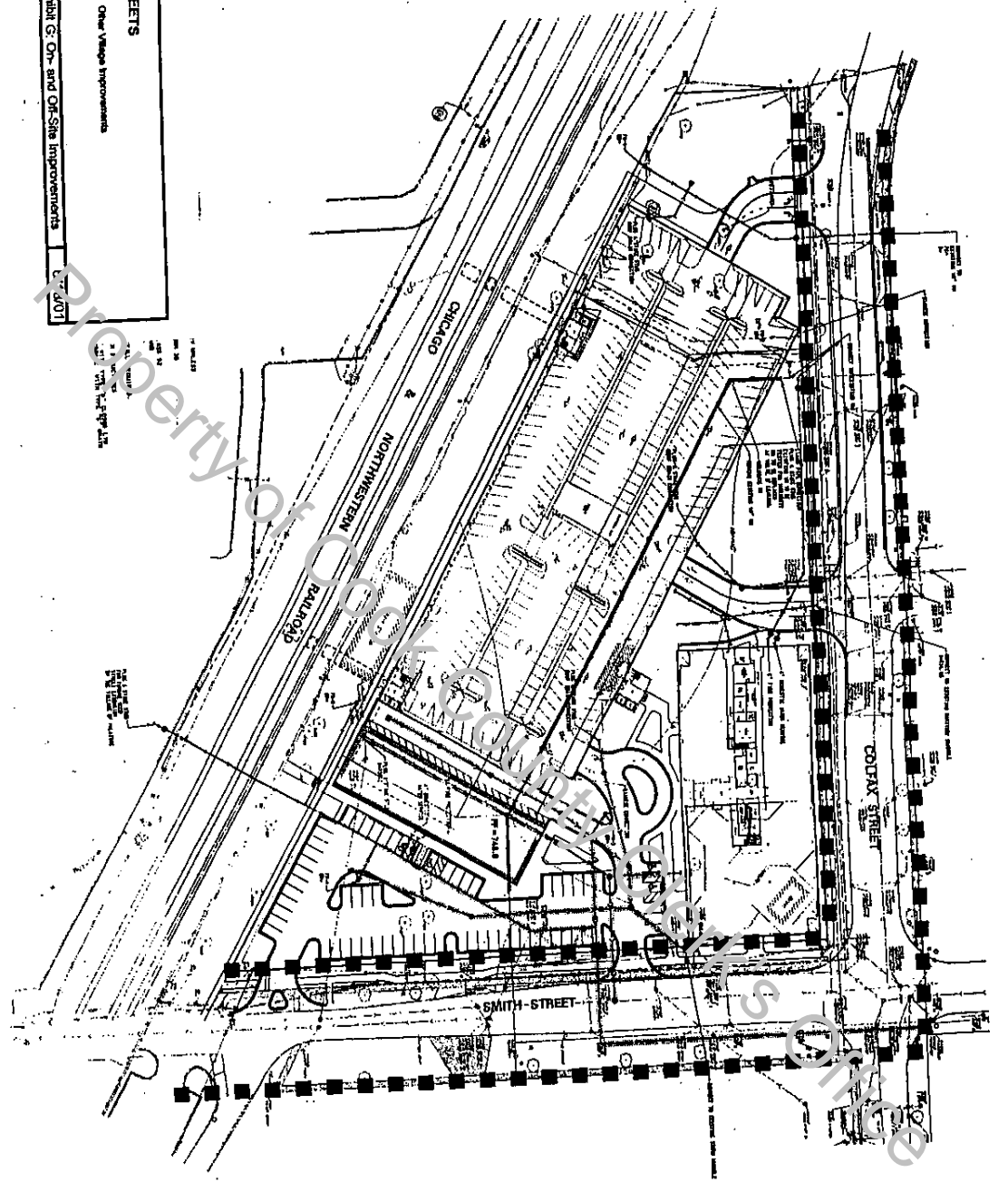
APPROVED
DATE: 5/6/01

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G-8: STREETS

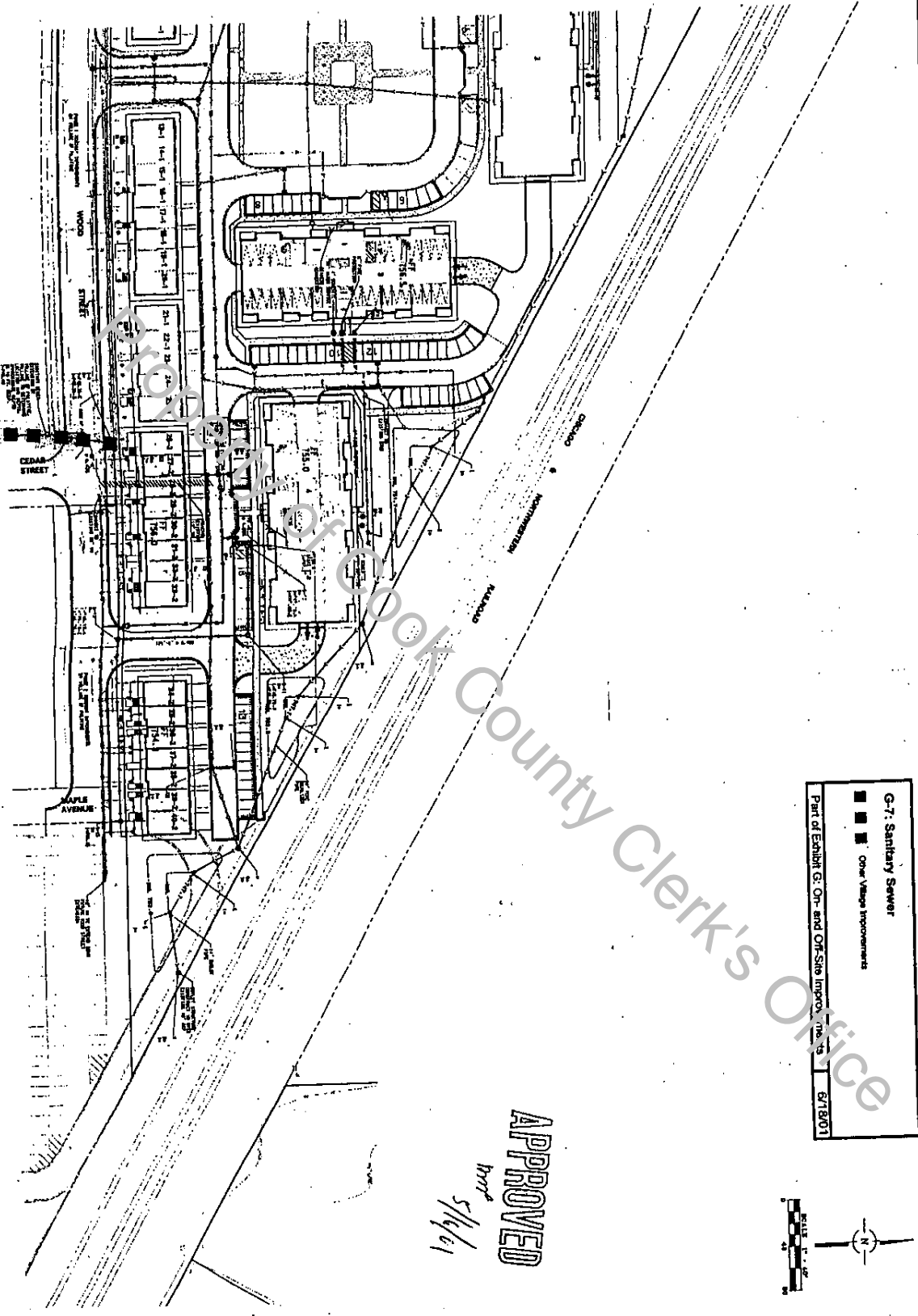
- Old Village Improvements
- Part of Exhibit G-7 and On-Site Improvements

17-001



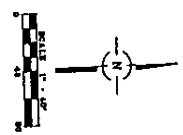
17-001 SHEET 85 OF 120 DATE 10/20/00 DRAWN BY [illegible]	Gateway Center Parcel 9 Palatine, Illinois	UTILITY PLAN SPACECO, INC. <small>307 S. WASHINGTON - SUITE 200 - PALATINE, IL 60067 TEL: 815-398-0000 FAX: 815-398-0000</small>	<table border="1"> <thead> <tr> <th>NO.</th> <th>DATE</th> <th>REVISIONS</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	NO.	DATE	REVISIONS																			
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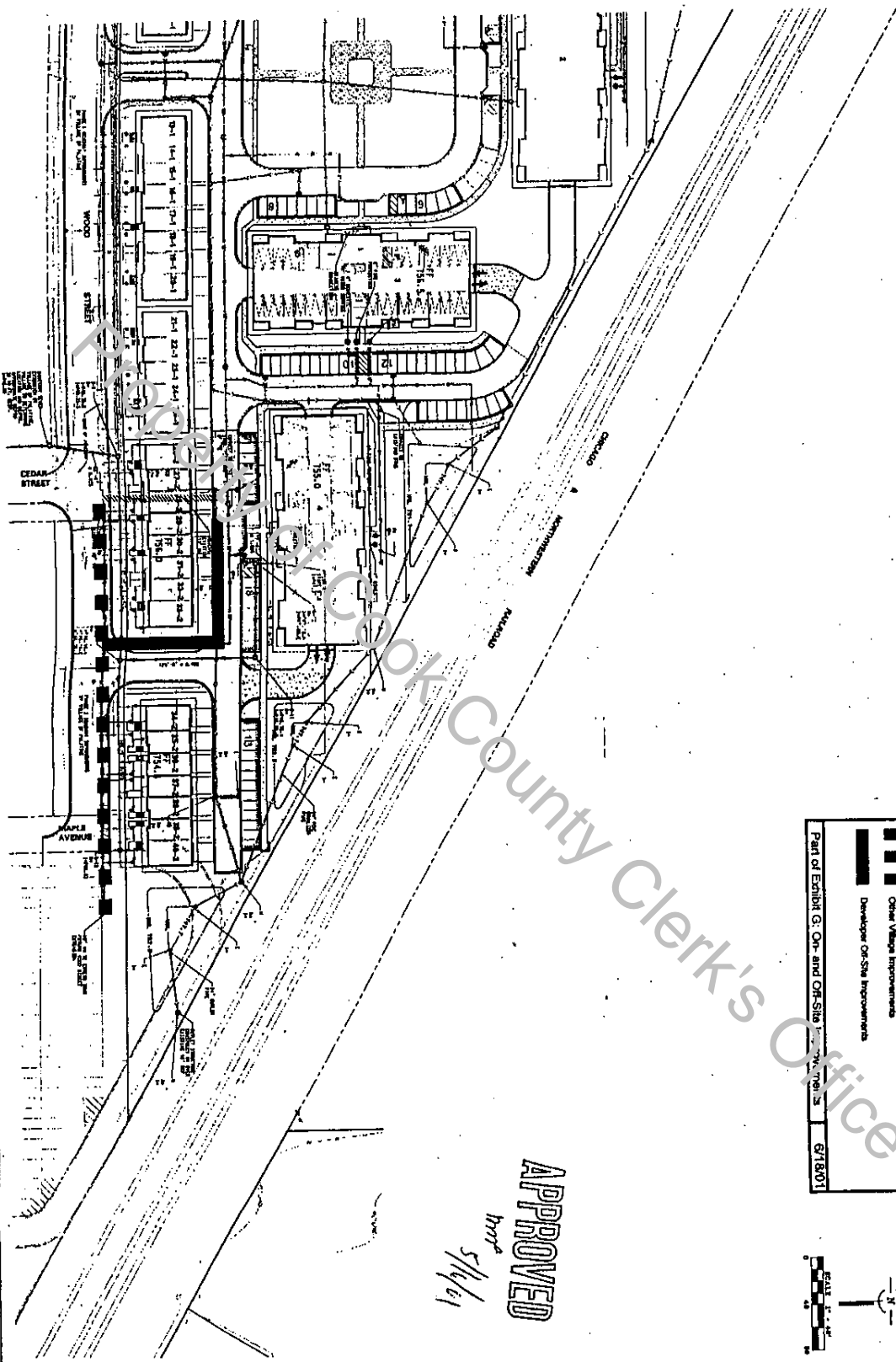
G-7: Sanitary Sewer

- On- or Village Improvements
- Part of Exhibit G- On- and Off-Site Improv. for 15 6/7/01



APPROVED
hmm
5/16/01

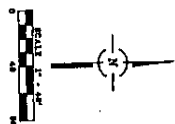
COPIES FURNISHED: 100 DATE: 5/16/01 SHEET: 12	Groves of Palatine Parcels 1 & 2 Palatine, Illinois	UTILITY PLAN - PHASE 2 SPACECO, INC. <small>2015 N. BROADWAY • SUITE 100 • BLOOMING, IL 60010 • 708/399-0000 FAX 708/399-0001</small>	NO. DATE REMARKS _____ _____ _____
	TITLE: _____ DATE: _____ REMARKS: _____		



G-6: Water Mains

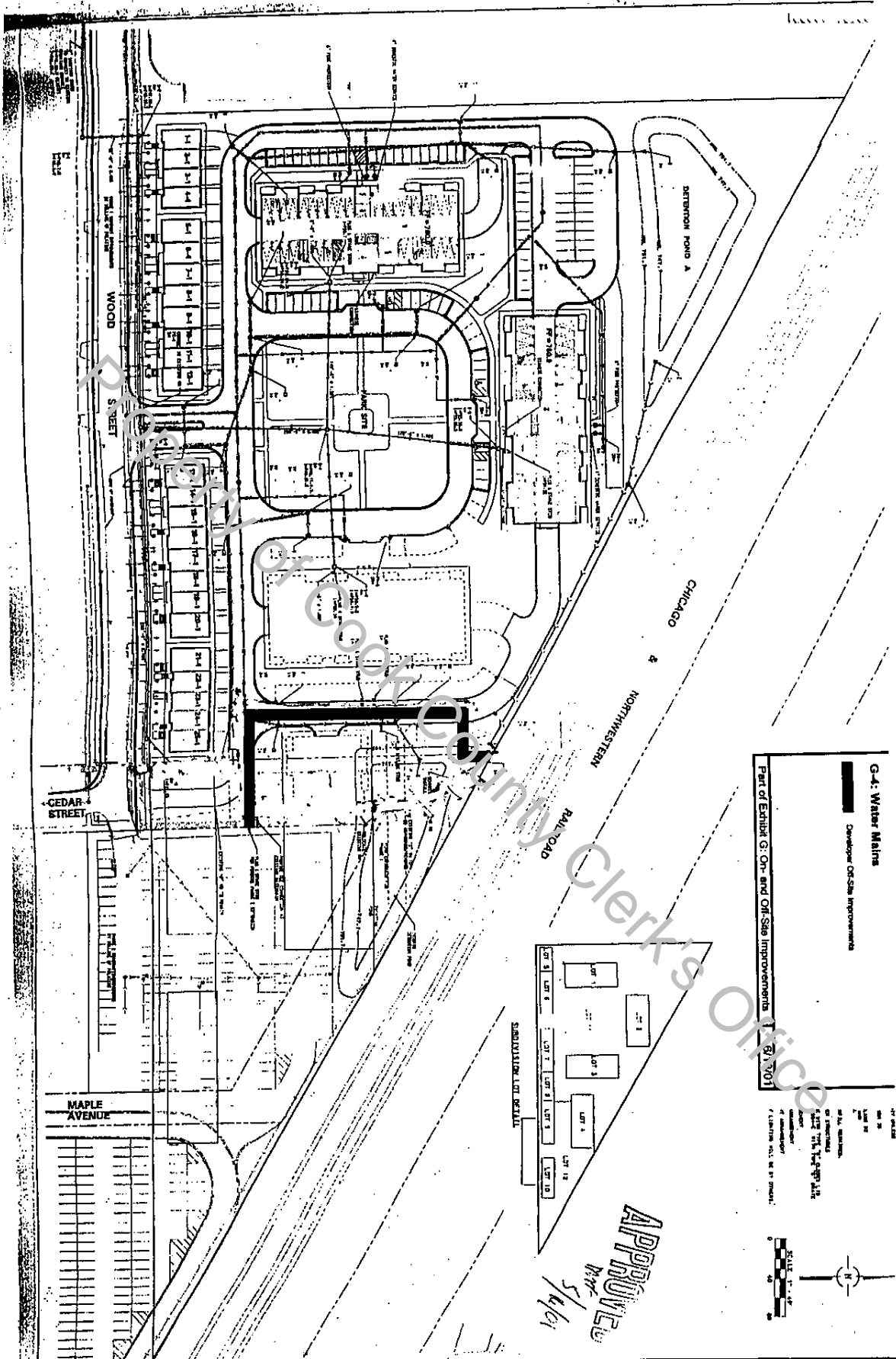
- Other Village Improvements
- Developer On-Site Improvements

Part of Exhibit G: On- and Off-Site Improvements
 DATE: 6/18/07



APPROVED
 [Signature]
 5/18/07

CD# 1434000 PREPARED BY: [Name] DATE: 5/18/07 SHEET: U2	UTILITY PLAN - PHASE 2 SPACECO, INC.		NO.	DATE	REMARKS



G-4: Water Mains
 Developer On-Site Improvements

Part of Exhibit G: On- and Off-Site Improvements (8/1/2011)

APPROVED
 [Signature]
 5/6/11

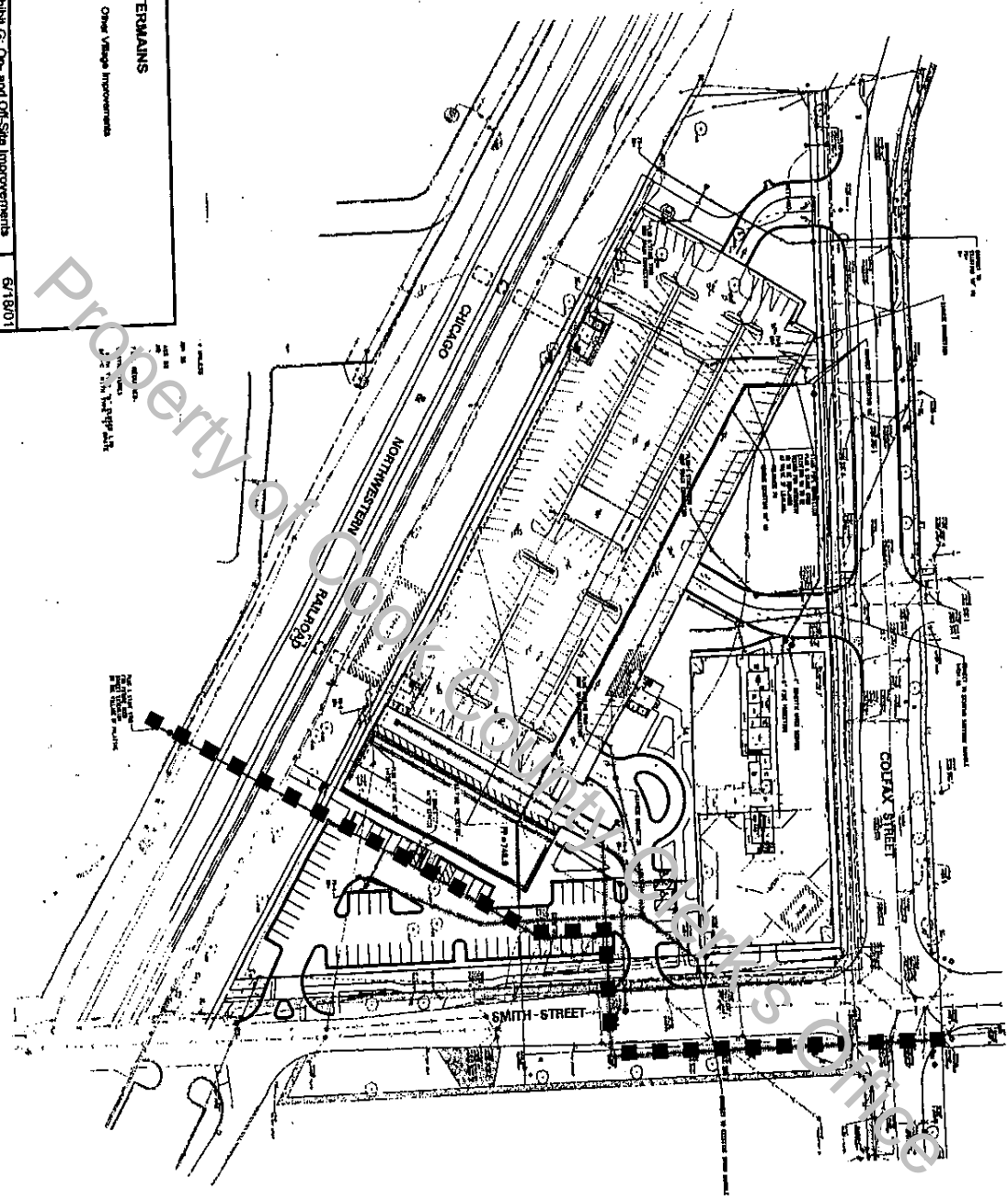
Groves of Palatine Parcels 1 & 2 Palatine, Illinois		UTILITY PLAN - PHASE 1 SPACECO, INC.			
NO.	DATE	REVISIONS	NO.	DATE	REVISIONS

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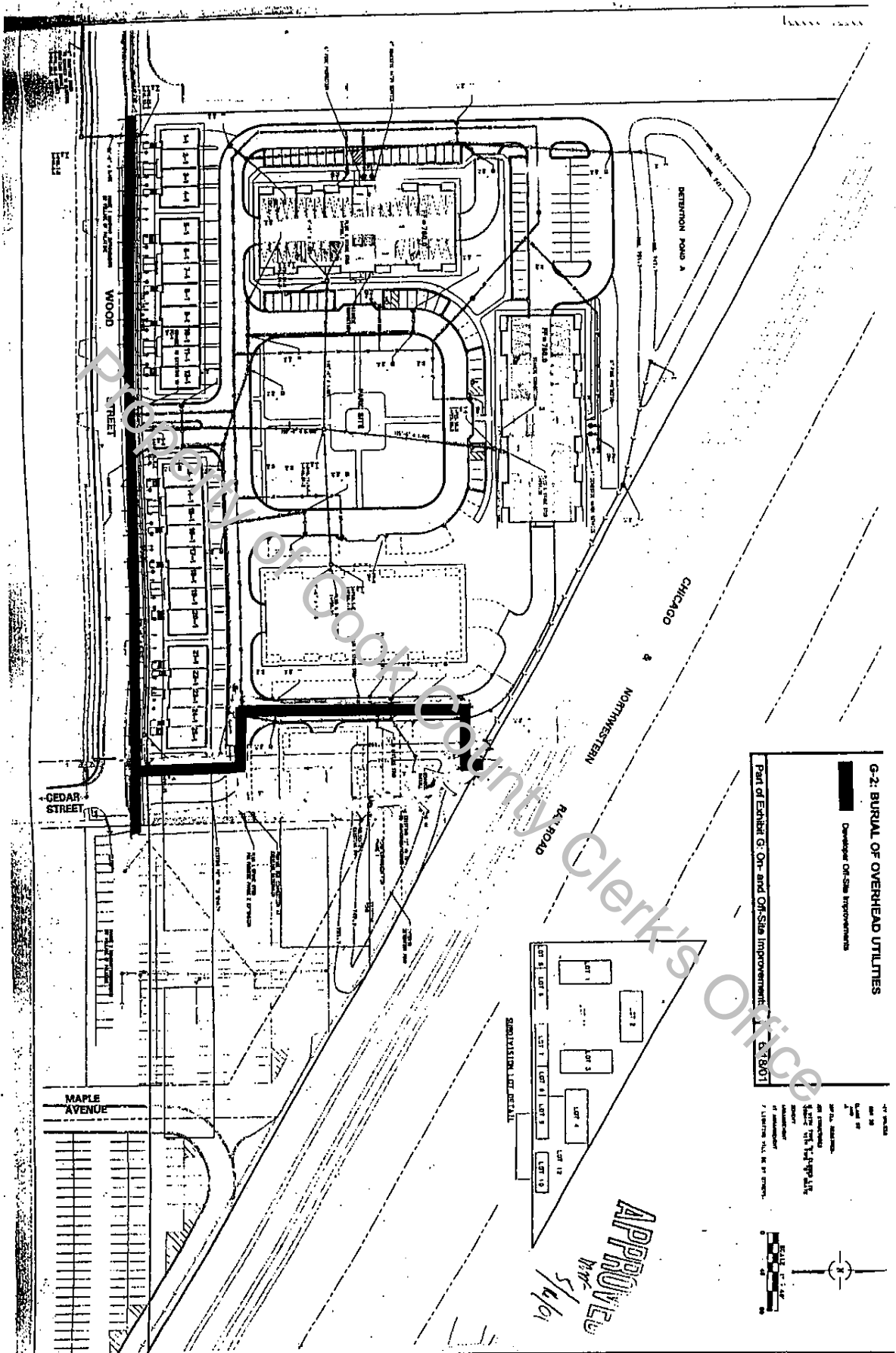
G-3: WATERMAINS

- Other Village Improvements

Part of Exhibit G- On- and Off-Site Improvements 5/18/01



5 30	GATEWAY CENTER PARCEL 9 PALATINE, ILLINOIS	UTILITY PLAN SPACECO, INC.	NO. DATE REMARKS NO. DATE REMARKS
	DATE DRAWN BY CHECKED BY APPROVED BY	DATE DRAWN BY CHECKED BY APPROVED BY	NO. DATE REMARKS NO. DATE REMARKS



APPROVED
M/S/01

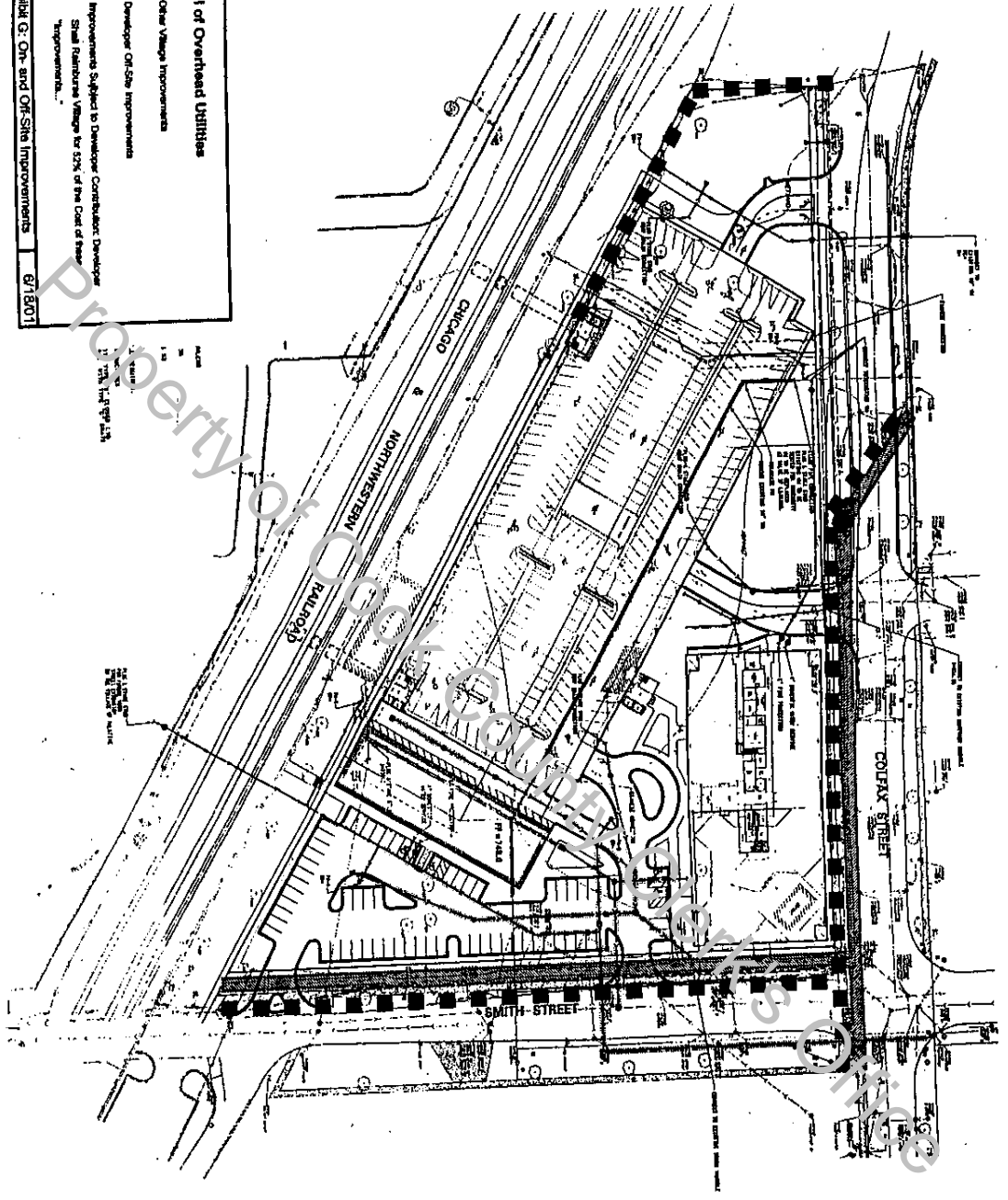
Groves of Palatine Parcels 1 & 2 Palatine, Illinois		UTILITY PLAN - PHASE 1 SPACECO, INC.	
DATE	REVISIONS	DATE	REVISIONS

UNOFFICIAL COPY

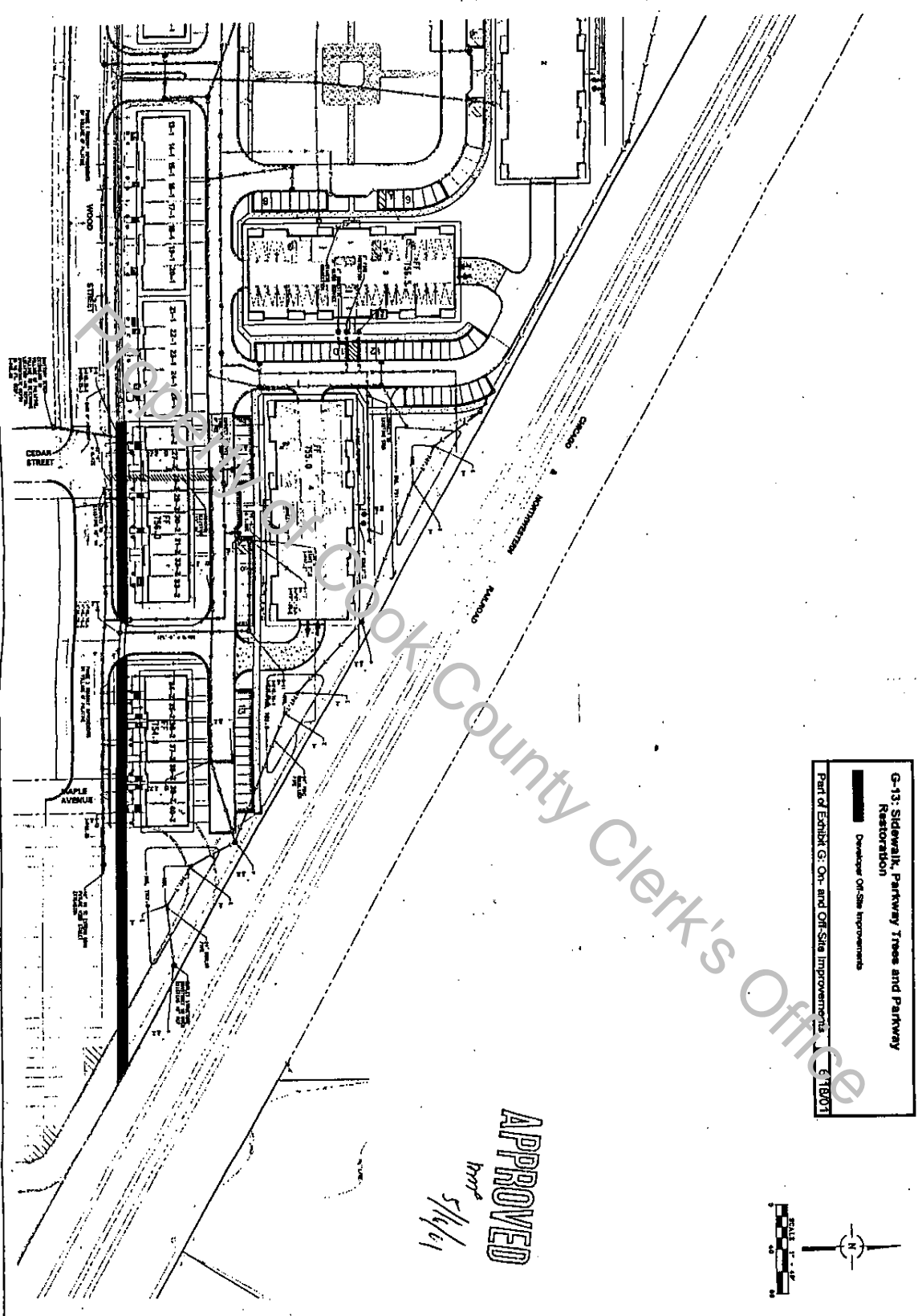
G-1: Burial of Overhead Utilities

- Other Utility Improvements
- Developer Off-Site Improvements
- Improvements Subject to Developer Contribution: Developer Shall Reimburse Village for 50% of the Cost of these Improvements.

Part of Exhibit G: On- and Off-Site Improvements | 6/7/2011

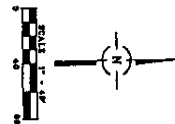


Gateway Center Parcel 9 Palatine, Illinois		UTILITY PLAN SPACECO, INC.		NO DATE REMARKS NO DATE REMARKS	
SHEET U1	DATE 10/13/10	DRAWN BY J. B. BROWN	CHECKED BY J. B. BROWN	NO 1	DATE 10/13/10



G-13: Sidewalk, Parkway Trees and Parkway Restoration
 Developer Off-Site Improvements
 Part of Exhibit G: On- and Off-Site Improvements, 6/18/01

APPROVED
 bms
 5/14/01



GROVES OF PALATINE PARCELS 1 & 2 Palatine, Illinois	UTILITY PLAN - PHASE 2 SPACECO, INC.		NO.	DATE	REMARKS
	DATE: _____ DRAWN BY: _____ CHECKED BY: _____ SHEET: 02	DATE: _____ NO. _____ REMARKS _____		NO.	DATE

**Exhibit "H"
Redevelopment Project Costs**

Gateway Centre

Demolition and Debris Removal
Watermains
Sanitary Sewers
Storm Sewers
Railwalk Extension from Smith Street to Retail Center,
lighting and Brick Work

Groves of Palatine

Watermains
Sanitary Sewers
Storm Sewers
Demolition and Debris Removal
Sidewalks along Wood, Maple to West Property Line
Parkway Trees
Parkway Grading, Topsoil and Sodding

Note: Village of Palatine reserves the right to review all contracts, invoices and waivers prior to issuing payments for the above referenced project costs.

Property of Cook County Clerk's Office

EXHIBIT "I"

Real Estate Sale Provisions

1
2
3
4 1. **AS IS PURCHASE.** This Agreement is an arms-length agreement between the parties.
5 Except as expressly provided herein to the contrary, the Purchase Price was bargained on the
6 basis of an "AS IS, WHERE IS" transaction and reflects the agreement of the parties that there
7 are no representations, disclosures, or express or implied warranties, except for any
8 representations of Seller to Purchaser set forth in this Agreement.

9
10 Subject to the terms of this Agreement, Purchaser is purchasing the Developer Property, and,
11 except as set forth herein, the Developer Property shall be conveyed and transferred to
12 Purchaser, "AS IS, WHERE IS, AND WITH ALL FAULTS," and specifically and expressly
13 without any warranties or guaranties, either express or implied, of any kind, nature or type
14 whatsoever from or on behalf of Seller. Without limiting the generality of the foregoing
15 except as set forth herein, Seller HAS NOT MADE, AND DOES NOT AND WILL NOT MAKE
16 WITH RESPECT TO THE DEVELOPER PROPERTY, ANY WARRANTIES OR
17 REPRESENTATIONS, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW,
18 INCLUDING BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION,
19 MERCHANTABILITY, HABITABILITY, OR FITNESS FOR A PARTICULAR USE OR
20 PURPOSE, OR WITH RESPECT TO THE VALUE, PROFITABILITY, BUILDABILITY,
21 MORTGAGEABILITY OR MARKETABILITY OF THE DEVELOPER PROPERTY, OR THE
22 PRESENCE OF HAZARDOUS MATERIALS THEREIN, THEREON, OR THEREUNDER
23 WHICH WARRANTIES ARE HEREBY DISCLAIMED. Except as otherwise provided in this
24 Agreement, Purchaser has had, and will have pursuant to this Agreement, an adequate
25 opportunity to make such legal, factual and other inquiries and investigations as Purchaser deems
26 necessary, desirable or appropriate with respect to the Developer Property. Such inquiries and
27 investigations of Purchaser shall be deemed to include, but shall not be limited to, the physical
28 condition of the Developer Property, the suitability of the Developer Property for the Intended Use
29 (as defined below), such state of facts as an accurate survey and inspection of the Developer
30 Property would show, and all zoning and other codes, ordinances and regulations of any
31 governmental entity applicable to the ownership, maintenance or operation of the Developer
32 Property.

33
34 2. **PURCHASE PRICE.**

35
36 a. **Phase 1.** The Purchase Price for Phase 1 shall be \$1,400,000 payable in full at the
37 Closing for Phase 1.

38
39 b. **Phase 2.** The Purchase Price for Phase 2 shall be \$600,000 payable in full at the Closing
40 for Phase 2.

41
42 c. **Phase 3.** The Purchase Price for Phase 3 shall be \$760,000 payable in full at the Closing
43 for Phase 3.

44
45 3. **TITLE.**

Freed Redevelopment Agreement Draft 6/13/01

1
2 a. **Title Commitment; Title Policy.** Within fifteen (15) days after the date hereof, Seller shall
3 cause to be furnished to Purchaser a commitment for an ALTA Form B Owner's Policy of Title
4 Insurance ("Commitment") issued by Near North National Title Corporation ("Title Company"),
5 covering the Developer Property, together with true and legible copies of all documents creating or
6 establishing easements, restrictions, and other items referred to as exceptions in Schedule "B" and
7 Schedule "C" of the Commitment ("Title Documents") and an ALTA Survey for the Property.

8
9 b. **Objections.** Purchaser shall have thirty (30) days following receipt of the Commitment,
10 Title Documents and Survey to review the Commitment, Title Documents and Survey and to
11 provide to Seller in writing a specific list of Purchaser's objections to any of them ("Title
12 Objections"). Any item constituting an encumbrance upon or adversely affecting title to the
13 Developer Property (except for Consensual Liens) which is not objected to by Purchaser in writing
14 by such time shall be deemed approved by Purchaser and shall constitute a Permitted Exception
15 (as hereinafter defined). Any mortgages, security interests, financing statements, or any other lien
16 recorded against the Developer Property following the Agreement Date with the consent or
17 acquiescence of Seller are collectively referred to as the "Consensual Liens" and none of such
18 Consensual Liens shall constitute, be or become Permitted Exceptions. Seller shall cause all
19 Consensual Liens to be paid and discharged in full at Initial Closing and in the event Seller fails to
20 do so, Purchaser shall have the right to deduct and apply so much of the Purchase Price as is
21 reasonably required to do so. The phrase "Permitted Exceptions" shall mean those exceptions to
22 title set forth in the Commitment, Title Documents and Survey and accepted or deemed approved
23 by Purchaser pursuant to the terms hereof except Consensual Liens as provided above, which shall
24 not constitute Permitted Exceptions and those matters set forth on Exhibit "Q" hereto.

25
26 c. **Cure.** Seller shall have the right, but not the obligation for a period of fourteen (14) days
27 after receipt of Purchaser's Title Objections (the "Cure Period"), to cure (or commit to cure at or
28 prior to Initial Closing) by delivery of written notice thereof to Purchaser within the Cure Period
29 any or all Title Objections contained in Purchaser's notice. If any such Title Objections are not
30 cured (or, if reasonably capable of being cured, Seller has not committed to cure same at or prior to
31 Initial Closing) within the Cure Period, or if Seller sooner elects not to cure such Title Objection by
32 written notice to Purchaser, Purchaser shall have until the earlier of the expiration of the Cure
33 Period or five (5) days after the receipt of such written notice within which to give Seller written
34 notice that Purchaser elects either (i) to waive all such uncured objections (in which case the
35 uncured objections shall become Permitted Exceptions); or (ii) terminate this Agreement. If
36 Purchaser does not deliver such written notice within the above period, Purchaser shall be deemed
37 to have waived its objections and all uncured Title Objections shall be Permitted Exceptions
38 (except Consensual Liens, which shall not constitute Permitted Exceptions). If Purchaser
39 terminates this Agreement in accordance with the foregoing, this Agreement shall immediately
40 and automatically terminate, and neither party shall have any further obligations to the other
41 hereunder (except any obligations which this Agreement provides survive termination).

42
43 **4. CLOSING DELIVERIES.**

44
45 a. **Seller.** Initial Closing shall occur on the Initial Closing Date provided all the conditions
46 precedent described in Section 6 have been satisfied. The Closing Dates for Phases 2 and 3 shall be
47 as provided in Sections 7.2 and 7.3 respectively. At each Closing, Seller shall deliver or cause to be

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1 delivered to Purchaser, in form and substance reasonably acceptable to Purchaser, each of the
2 following documents applicable to the phase being conveyed:

- 3
4 i. **Deed.** Trustee's Deed, executed by Trustee in recordable form, or Special
5 Warranty Deed, as the case may be, conveying the applicable phase being
6 conveyed to Purchaser (or Purchaser's assignee or nominee) free and clear
7 of all liens, claims and encumbrances except for the Permitted Exceptions.
8
9 ii. **Possession.** Exclusive possession of the Phase being conveyed.
10
11 iii. **Title Policy.** At each Closing, Seller shall provide Purchaser with an ALTA
12 Form B Owner's Policy of Title Insurance for the phase currently being
13 conveyed, dated as of the date of the Closing, in the amount of the Purchase
14 Price, insuring title to be in Purchaser (or Purchaser's nominee or assignee)
15 in indefeasible fee simple, subject to no exceptions other than Permitted
16 Exceptions with extended coverage (the "Title Policy"). Seller shall pay the
17 additional premium charged for extended coverage, however, Purchaser
18 shall pay for any endorsements required by Purchaser or its Lender.
19
20 iv. **Closing Statement.** A Closing Statement conforming to the prorations and
21 other relevant provisions of this Agreement.
22
23 v. **Entity Transfer Certificate.** An Entity Transfer Certification confirming
24 that the Seller is a "United States Person" within the meaning of Section 1445
25 of the Internal Revenue Code of 1986, as amended.
26
27 vi. **OEA.** At the Initial Closing, the OEA shall be recorded.
28
29 vii. **License Agreement.** At the Initial Closing in accordance with Section 8.7.
30
31 viii. **Other.** Such other documents and instruments as may reasonably be
32 required by the Title Company as necessary to consummate this transaction
33 and to otherwise effect the agreement of the parties hereto and not
34 inconsistent with the terms of this Agreement, including but not limited to:
35 (1) an Affidavit of Title, and (2) an A.L.T.A. Statement.
36
37 b. **Purchaser.** At each Closing, Purchaser shall deliver or cause to be delivered to Seller the
38 following, in form and substance reasonably acceptable to Seller:
39
40 i. **Purchase Price.** The Purchase Price applicable to the phase being conveyed,
41 then payable as referred to in Section 2 hereinabove.
42
43 ii. **Closing Statement.** A Closing Statement conforming to the proration and
44 other relevant provisions of this Agreement.
45
46 iii. **Corporate Resolutions/Authorizations.** Such corporate, partnership,
47 limited liability company and/or limited partnership resolutions and