

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

Name of Redevelopment Project Area: TIF #4
Primary Use of Redevelopment Project Area*: Commercial
If "Combination/Mixed" List Component Types:
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):
Tax Increment Allocation Redevelopment Act <u> x </u> Industrial Jobs Recovery Law <u> </u>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	x	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		x
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		x
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		x
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		x
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F		x
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	x	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	x	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	x	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	x	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		x
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9) If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		x

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



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

The Honorable Mayor
Members of the Board of Trustees
Village of Arlington Heights, Illinois

We have examined management's assertion included in its representation letter dated September 12, 2008, that the Village of Arlington Heights, Illinois complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Incremental Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2008. As discussed in that representation letter, management is responsible for the Village of Arlington Heights, Illinois' compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village of Arlington Heights, Illinois' compliance based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village of Arlington Heights, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village of Arlington Heights, Illinois' compliance with statutory requirements.

In our opinion, management's assertion that the Village of Arlington Heights, Illinois complied with the aforementioned requirements for the year ended April 30, 2008 is fairly stated in all material respects.

This report is intended solely for the information and use of the Board of Trustees, management, and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink, appearing to read 'Sikich' followed by a stylized flourish.

Aurora, Illinois
September 12, 2008

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

Reporting Year	Cumulative
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Fund Balance at Beginning of Reporting Period

\$ 714,243

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 375,325	\$ 664,651	96%
State Sales Tax Increment	\$ -		0%
Local Sales Tax Increment	\$ -		0%
State Utility Tax Increment	\$ -		0%
Local Utility Tax Increment	\$ -		0%
Interest	\$ 47,577	\$ 25,560	4%
Land/Building Sale Proceeds	\$ -		0%
Bond Proceeds			0%
Transfers from Municipal Sources	\$ -		0%
Private Sources	\$ -		0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -		0%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 422,902

Cumulative Total Revenues/Cash Receipts

\$ 690,211 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 44,745

Distribution of Surplus

\$ -

Total Expenditures/Disbursements

\$ 44,745

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$ 378,157

FUND BALANCE, END OF REPORTING PERIOD

\$ 1,092,400

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

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
 (by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]

	Reporting Fiscal Year	
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Professional Services	44,745	
		\$ 44,745
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 44,745

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))
Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period
(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))

FUND BALANCE, END OF REPORTING PERIOD \$ 1,092,400

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Total Amount Designated for Obligations	\$ -	\$ -

2. Description of Project Costs to be Paid		
Professional Services		\$ 200,000
Land Acquisition		\$ 1,600,000
Infrastructure		\$ 601,700
Total Amount Designated for Project Costs		\$ 2,401,700

TOTAL AMOUNT DESIGNATED \$ 2,401,700

SURPLUS*/(DEFICIT) \$ (1,309,300)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

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

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

 x No property was acquired by the Municipality Within the Redevelopment Project Area

Property Acquired by the Municipality Within the Redevelopment Project Area

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

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

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

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

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

Please include a brief description of each project.

 x **No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area**

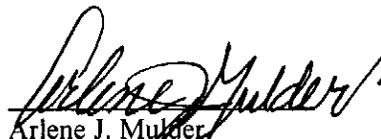
	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Estimated Cost of the Total Project
TOTAL:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 1:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 2:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 4:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

ATTACHMENT B

(TIF IV)

I, Arlene J. Mulder, the duly elected Chief Executive Officer, of the Village of Arlington Heights, County of Cook, State of Illinois, and as such, do hereby certify that the Village of Arlington Heights has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act for Tax Increment Financing District Number IV, during the current municipal fiscal year, May 1, 2007 to April 30, 2008.

November 24, 2008.


Arlene J. Mulder
President Board of Trustees
Village of Arlington Heights

ATTEST:


EDWINA CORSO
Village Clerk

ATTACHMENT C and L

(TIF IV)

I, JACK M. SIEGEL, Village Attorney of the Village of Arlington Heights, County of Cook, State of Illinois, and have been such throughout the fiscal year covered by this report, May 1, 2007 to April 30, 2008, do hereby state as follows:

It is my opinion that the Village of Arlington Heights has in all respects complied with the requirements of the Tax Allocation Redevelopment Act as it relates to Tax Increment Financing District Number IV, for the fiscal year, May 1, 2007 to April 30, 2008.

December 1, 2008


JACK M. SIEGEL, P.C.
Village Attorney

ATTEST:


EDWINA CORSO
Village Clerk

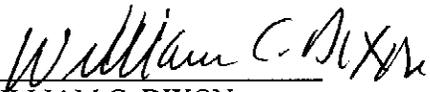
ATTACHMENT D

(TIF IV)

I, WILLIAM C. DIXON, Village Manager, do hereby certify that the following activities were undertaken in furtherance of the objectives of the redevelopment plan for Tax Increment Financing District Number IV, between May 1, 2007 and April 30, 2008.

1. The Village approved a Redevelopment Agreement on December 3, 2007 with Arlington Medical Partners LLC to develop approximately 4.5 acres for a medical office building (A07-022) (Ord.07-083).

November 24, 2008


WILLIAM C. DIXON
Village Manager

ATTEST:


EDWINA CORSO
Village Clerk

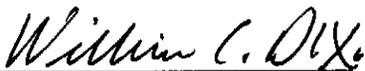
ATTACHMENT E

(TIF IV)

I, WILLIAM C. DIXON, Village Manager of the Village of Arlington Heights, do hereby state that the Village of Arlington Heights did not purchase property but did enter into a redevelopment agreement within Tax Increment Financing District Number IV, in the fiscal year, May 1, 2007 to April 30, 2008.

1. The Village terminated a redevelopment agreement with Gershman Brown / Strategic Real Estate Services on May 7, 2007 (A07-008) (Ord. #07-029).
2. The Village approved a Redevelopment Agreement on December 3, 2007 with Arlington Medical Partners LLC to develop approximately 4.5 acres for a medical office building (A07-022) (Ord.07-083).

November 24, 2008


WILLIAM C. DIXON
Village Manager

ATTEST:


EDWINA CORSO
Village Clerk

*This instrument was prepared by,
and after recording return to:*

*William J. Mitchell, Esq.
MELTZER, PURTILL & STELLE
300 S. Wacker Drive, Suite 3500
Chicago, Illinois 60606*

Permanent Real Estate Tax Index Nos.:
See Exhibit 1 hereto

Street Address:
Northeast corner of Arlington Heights Road and Council Trail
Arlington Heights, Cook County, Illinois

**REDEVELOPMENT AGREEMENT
FOR A PORTION OF THE
ARLINGTON HEIGHTS ROAD/GOLF ROAD
REDEVELOPMENT PLAN AND PROJECT #4/T.L.F. DISTRICT #4
OF THE VILLAGE OF ARLINGTON HEIGHTS, COOK COUNTY, ILLINOIS**

THIS REDEVELOPMENT AGREEMENT ("Agreement") is made between the VILLAGE OF ARLINGTON HEIGHTS, an Illinois municipal corporation (hereinafter referred to as the "Village") and ARLINGTON MEDICAL PARTNERS, LLC, an Illinois limited liability company (hereinafter referred to as "Developer") as of this ___ day of December, 2007.

WITNESSETH

Village and Developer have agreed to enter into this Redevelopment Agreement as follows:

REDEVELOPMENT AGREEMENT

RE: ARLINGTON MEDICAL ARTS

MADE BY AND BETWEEN:

**VILLAGE OF ARLINGTON HEIGHTS,
an Illinois municipal corporation**

AND

**ARLINGTON MEDICAL PARTNERS, LLC,
an Illinois limited liability company**

**REDEVELOPMENT AGREEMENT
FOR A PORTION OF THE
ARLINGTON HEIGHTS ROAD/GOLF ROAD
REDEVELOPMENT PLAN AND PROJECT #4/T.I.F. DISTRICT #4
OF THE VILLAGE OF ARLINGTON HEIGHTS, COOK COUNTY, ILLINOIS**

Re: Arlington Medical Arts

THIS AGREEMENT is made between the VILLAGE and DEVELOPER and is dated this 3 day of December, 2007.

RECITALS

The Village is a home rule municipality pursuant to Section 6(a) of Article VII of the Constitution of the State of Illinois and is authorized to exercise and perform any function pertaining to its government and affairs.

The State of Illinois has adopted tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (hereinafter referred to as "Act").

Pursuant to its home rule powers and in accordance with the Act, on July 1, 2002, the corporate authorities of the Village adopted Ordinance Numbers 02-049, 02-050 and 02-051 (hereinafter collectively referred to as the "TIF Ordinances"), approving a tax increment redevelopment plan and project (hereinafter referred to as the "TIF Plan"), designating a tax increment redevelopment project area and adopting tax increment financing relative to approximately thirty five (35) acres of Land at the southwest corner of Golf Road and Arlington Heights Road, Arlington Heights, Cook County, Illinois, and referred to therein as the "Golf Road and Arlington Heights Road Tax Increment Financing District #4" (hereinafter referred to as the "TIF District") for the redevelopment and revitalization of a portion of the corporate limits of the Village, which property is legally described on EXHIBIT 1 attached hereto and made a part hereof (hereinafter referred to as the "Redevelopment Project Area").

Developer has acquired, or will acquire, certain real estate located within the Redevelopment Project Area, legally described in EXHIBIT 2 attached hereto and made a part hereof (hereinafter referred to as the "Developer Property"), for redevelopment in accordance with the TIF Ordinances, TIF Plan and this Agreement.

The Village has adopted (i) Ordinance Number 07-115, which amended the Zoning Ordinance of the Village to reclassify the Project Area from R-1 One Family Dwelling District to OT Office Transitional District (hereinafter referred to as the "Zoning Reclassification Ordinance") and (ii) Ordinance Number 07-116, which created an Overlay Zoning District upon the Project Area to create additional and supplemental requirements upon the Project Area to encourage unified and cohesive development of the Developer Parcel(s) (hereinafter referred to

as the "Overlay Zoning Ordinance"). The Zoning Reclassification Ordinance and the Overlay Zoning Ordinance are hereinafter collectively referred to as the "Zoning Ordinances". Developer intends to improve the Developer Property, associated adjacent real estate and rights-of-way necessary for the completion of the Project (hereinafter referred to as the "Project Area") with the following: (i) certain on- and off-site public and private improvements, including, without limitation, improvements to the Council Trail storm sewer extension (hereinafter referred to as "Site Improvements"), (ii) approximately 60,336 square foot building (hereinafter referred to as the "Building"), consisting of approximately 6,204 square feet subterranean for-sale medical office condominium or for-rent medical office and storage space and approximately 54,132 square feet of above grade for-sale medical office condominium or for-lease medical office, and (iii) approximately 266 space surface parking area (hereinafter referred to as the "Parking Area"), in each case in material accordance with the TIF Ordinances, Zoning Ordinances and the terms of this Agreement, together with all labor and materials (hereinafter referred to as the "Work") associated with the foregoing (the Developer Property, the Site Improvement, Building, Parking Area and the Work are hereinafter collectively referred to as the "Project").

The Village is desirous of having the Redevelopment Project Area, and specifically the Project Area, rehabilitated, developed and redeveloped in accordance with the TIF Plan, and particularly the Project, in order to serve the needs of the Village, arrest physical decay and decline in the Redevelopment Project Area, increase employment opportunities, stimulate commercial growth and stabilize the tax base of the Village. In furtherance thereof, the Village is willing to undertake certain incentives, under the terms and conditions hereinafter set forth, to assist such development, including, without limitation, the issuance and sale of debt instruments, if necessary in amounts otherwise sufficient to fulfill the obligations of the Village hereunder, subject to limitations imposed by applicable law; without which incentives the redevelopment and rehabilitation of the Project Area could not occur. The Village has determined that the Redevelopment Project Area, and in particular, the Project Area, has not been subject to growth and development through investment by private enterprise and cannot be reasonably anticipated to develop without the incentives provided herein.

For purposes hereof, the obligations and undertakings of the Village hereunder shall sometimes be referred to herein as the "Village Obligations", and the obligations and undertakings of the Developer hereunder shall sometimes be referred to herein as the "Developer Obligations".

ACCORDINGLY, for and in consideration of the foregoing Recitals and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. RECITALS: This Agreement is made pursuant to and in accordance with the provisions of the Act and other applicable provisions of the Illinois Compiled Statutes and Constitution and ordinances of the Village. The recitations set forth in the foregoing Recitals are material to this Agreement and are hereby incorporated into and made a part hereof as agreements of the Village and Developer hereunder.

2. **DEFINITIONS:** For purposes of this Agreement, in addition to the terms defined in the text hereof, the following terms shall have the meanings set forth below:

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

"Affiliate" means any person or entity directly or indirectly controlling, controlled by or under common control with the Developer.

"Bonds" means the bonds that may be issued by the Village, if applicable.

"Certificate of Completion" shall have the meaning set forth in Section 6.06.

"Charges" shall mean all national, federal, state, county, Village, municipal and/or other governmental (or any instrumentality, division, agency, body or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances or non-governmental claims or liens upon and/or relating to the Project which affect any interest of the Village in the Project Area or Project, and which are not otherwise a direct or indirect obligation of the Village.

"Closing Date" means the later of the date upon which Developer acquires the Developer Property and the date that Developer shall satisfy its obligations under Sections 4.01 and 4.04 hereof.

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

"Developer Equity" means the amount that Developer must advance to pay the costs of the Project, calculated as the difference between the level of financing under financing commitments and the actual costs of the acquisition and completion of the Project, less the sum of the amount of the Initial TIF Contribution.

"Eligible Costs" mean any costs which qualify as redevelopment project costs under 65 ILCS 5/11-74.4-3(q) and which are paid or incurred by the Developer or any Affiliate in connection with the Project, and which are contemplated under this Agreement as eligible for reimbursement from Incremental Taxes and which are set forth in the TIF Eligible Expense Budget.

"Event of Default" shall have the meaning set forth in Section 14.1 hereof.

"Excusable Delays" shall mean and refer to (i) delays caused by delay or failure in the completion by the Village of the Village Obligations (as to the Developer) or the Developer Obligations (as to the Village) that may be conditions thereto, if any, (ii) the issuance of permits, licenses and approvals for which timely application is made, and (iii) matters beyond the reasonable control of Developer, including, without limitation, weather conditions, material

shortages, labor strikes, terrorist attacks, acts of war and/or civil unrest, acts of God and the like.

“Incremental Taxes” means that portion of the *ad valorem* taxes as defined by 65 ILC5 5111-74.4-8 paid from the Redevelopment Project Area.

“Permitted Liens” shall mean mechanics’ liens, or claims of mechanics’ liens, which Developer has determined, in good faith, to be (i) erroneous, invalid or unjustified, (ii) subject to offsets or defenses or (iii) adequately secured by either title insurance or bonding-over.

“Project Budget” means the budget furnished by the Developer and approved by Village showing the Developer’s estimated costs for the redevelopment of the Project Area and the completion of the Project.

“Securities Laws” means the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended and all applicable state securities laws, and rules and regulations promulgated thereunder.

“Special Tax Allocation Fund” means the TIF IV Special Tax Allocation Fund, into which the Incremental Taxes will be (have been) deposited and from which the Eligible Costs will be paid, in accordance with this Agreement.

“TIF Eligible Expense Budget” means the budget attached hereto and made a part hereof as **EXHIBIT 4**.

“TIF Incentive” means the total monetary contribution by the Village (exclusive of Village Improvements Costs or performance of other Village Obligations, if applicable) toward the Eligible Costs of the Project, as set forth in Section 6.02 hereof.

3. DEVELOPER REPRESENTATIONS AND WARRANTIES: Developer hereby represents and warrants, to and for the benefit of Village, the following:

3.01 Existence/Authority. Developer is an Illinois limited liability company, duly organized and validly existing under the laws of the State of Illinois, fully qualified to do business in the State of Illinois, with power and authority to enter into this Redevelopment Agreement.

3.02 Authority/Conflict/Litigation/Financials. (i) Developer has the right and power and is authorized to enter into, execute, deliver and perform this Agreement; (ii) the execution, delivery and performance by Developer of this Agreement shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or breach of any provision contained in Developer’s organizational documents, or any instrument or document to which Developer is now a party or by which it is bound; (iii) Developer is now solvent and able to pay its debts as they mature; (iv) there are no actions at law or similar proceedings which are pending or, to Developer’s knowledge, threatened against Developer which would result in any

material and adverse change to Developer's financial condition, or which would materially and adversely affect the level of Developer's assets as of the date of this Agreement; (v) Developer has obtained or shall obtain all government permits, certificates, consents and franchises necessary to continue to conduct its business and to own or sell, lease and operate its properties as now owned, sold or leased by it; (vi) the financial materials furnished by or on behalf of Developer and its principals, as applicable, to the Village ("Financials") fairly and accurately present the assets, liabilities and financial conditions and results of operations of Developer and its principals, as applicable, as of the dates thereof, and there has been no material and adverse change in the assets, liabilities or financial condition of Developer since the dates of the Financials and the date of this Agreement other than as a result of the ordinary and customary conduct of its business.

4. DEVELOPER PROJECT OBLIGATIONS, COVENANTS AND AGREEMENTS: Subject to the terms and provisions of this Agreement, Developer shall have the following obligations with respect to the Project:

4.01 Project Plans. Developer has heretofore submitted to the Village the conceptual site plans and dimensioned depictions of the proposed Project, including conceptual elevations and floor plans for the Building, as attached hereto as EXHIBIT 3 (hereinafter referred to as the "Site Plan"). Developer has submitted to the Village for approval all plans, specifications and other architectural, engineering and submissions necessary or legally required to obtain a building permit for the construction and occupancy of the Project, including the Building and the public improvements to the Council Trail storm sewer extension (hereinafter referred to as the "Plans and Specifications"). The Village shall promptly review the Plans and Specification and applications for permits and shall provide Developer with permits or a written notice of rejection, specifying, in detail, the reasons for such rejection.

4.02 Start and Completion Dates. Developer shall commence construction of the Project no later than May 31, 2008 (hereinafter referred to as the "Start Date"), and shall have substantially completed the Project, in substantial accord with the Plans and Specifications and in material compliance with all applicable laws, rules, regulations and ordinances, within eighteen (18) months after the Start Date (hereinafter referred to as the "Completion Date"), subject to Excusable Delays. Notwithstanding the foregoing, Developer shall have the right to adjust the State Date or Completion Date, so long as any such adjustment of more than thirty (30) days shall require the Village's prior written consent.

4.03 Construction, Completion and Monitoring. Developer shall pay all costs necessary to complete the Project. Village shall have the right, but not the obligation, to reasonably inspect and monitor the progress and compliance of the Project. Upon reasonable advance notice, Village shall be permitted access to the Project during normal business hours to conduct such monitoring and inspection, subject to limitations imposed by safety considerations. Inspection and monitoring hereunder shall not be in lieu or substitution of any rights of the Village to conduct necessary and appropriate inspection permitted or required under Village codes, regulations and ordinances.

4.04 Financing/Equity. Developer has provided Village with the Project Budget. Within thirty (30) days after the date of this Agreement, Developer shall provide Village with reasonable evidence that Developer has finances sufficient to complete the Project, including third party financing commitments. Developer shall also demonstrate to Village that it has contributed, or has the financial capacity to contribute, through financing or personally, the Developer Equity.

4.05 Payment of Charges/Village Payment. Developer shall pay when due, or if not known to be due, then within a reasonable time thereafter, all Charges arising or incurred from and after the date hereof with respect to the Project. In the event, at any time or times after the date hereof and prior to the Completion, Developer shall fail to pay, bond or insure over the Charges, Developer shall so advise the Village thereof in writing, and the Village may, without waiving or releasing any obligation or liability of Developer under this Agreement, in its sole discretion, make such payment, or any part thereof, obtain a discharge, bond or insure over, or take any other action with respect thereto which the Village deems reasonably advisable or permissible, including, without limitation, no action if not due during the period of any protest period properly invoked by Developer. All sums so paid by the Village and any expenses, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable by Developer to the Village within thirty (30) days after written demand.

4.06 Compliance With Laws. All portions of the Project to be constructed and completed by Developer shall be constructed and completed in accordance with the requirements of this Agreement and shall be in conformity with all applicable laws, ordinances and regulations. Developer shall be governed by, and shall use its best efforts to adhere to and obey any and all applicable federal, state and local laws, statutes, ordinances, rules, regulations and executive orders applicable to the Project as may be in effect from time to time.

4.07 Developer Meetings and Cooperation.

A. The Developer agrees to meet with and make presentations to the Village as shall be reasonably necessary and desirable to present and explain all or any portion of the Project, at times mutually agreeable to the parties, so long as any such meetings are conducted in accordance with all applicable laws of the State of Illinois and the ordinances of the Village.

B. The Developer hereby agrees to designate representatives of the Developer with full power and authority to meet with the designated representatives of the Village for the purpose of carrying out the provisions of this Redevelopment Agreement.

C. The Developer agrees to reasonably cooperate with the Village in the completion of construction of necessary public improvements and other Site Improvements to be constructed as a part of the Project, and, will contract for the

construction and completion of such improvements which are a part of the Village Obligations; on customary terms and conditions at Village sole cost and expense.

4.08 Restrictions/Additional Covenants. Developer agrees that with respect to the construction and operation of the Project, it shall observe, and cause its agents and employees to observe, the following restrictions:

- A. Develop the Project Area for which Developer is responsible to redevelop in accordance with the uses set forth herein;
- B. Devote the Project Area to the uses specified herein and in the Project; and
- C. Not discriminate based upon race, color, religion, sex, national origin or ancestry, age, disability or sexual orientation in the sale, lease or rental, or in the use or occupancy of the Developer Parcels or any improvements located or to be erected thereon, or any part thereof.

5. VILLAGE REPRESENTATIONS AND WARRANTIES: Village hereby represents to and for the benefit of Developer and its permitted successors and/or assigns, as follows:

5.01 Existence/Authority. The Village is a municipal corporation under the laws of the State of Illinois with power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.

5.02 Conflict. The execution of this Agreement and the consummation of the transactions contemplated hereby will not result in any breach of, or constitute a default under, any agreement, contract, lease, mortgage, indenture, deed of trust or other instrument to which the Village is a party.

5.03 Litigation/Proceedings. With the exception litigation set forth on EXHIBIT 5 hereto ("Pending Actions"), there are no actions, suits or proceedings pending, or to the knowledge of the Village threatened, against or affecting the Village, at law or in equity, or before any governmental authority, with regard to portions of the Project Area which, if adversely determined, would impair the Village's ability to perform its obligations under this Agreement.

5.04 Board Action. All actions of the President and Board of Trustees of the Village required to be taken to authorize execution of this Agreement have been validly and duly taken in accordance with the law and the officers of the Village signing this Agreement have been duly authorized to execute this Agreement on behalf of the Village.

6. VILLAGE OBLIGATIONS, COVENANTS AND AGREEMENTS: Subject to the terms and provisions of this Agreement, Village shall have the following obligations with respect to the Project:

6.01 Village's General Project Obligations. In addition to the other Village Obligations hereunder, Village shall have the obligation and responsibility for the payment of all costs associated with the construction of certain public improvements portions of the Site Improvements relative to the Project as set forth in EXHIBIT 6(A) hereto ("Village Improvements"); which costs are currently estimated to be One hundred Seven Thousand Five Hundred and No/100 Dollars (\$107,250.00), plus contingency ("Village Improvements Costs"). The Village Improvements shall be completed on a timely basis to permit construction and completion of the Project as provided herein: Village has requested that Developer complete the Village Improvements as part of the Project, and Village shall make the Village Improvements Costs available to Developer for completion of the Village Improvements concurrently with (and in addition to) the Initial Disbursement of the TIF Incentive made pursuant to Section 6.02A below.

6.02 Redevelopment Incentives/Additional Village Costs. In consideration of the undertaking and completing of the Developer Obligations to complete the Village Improvements without cost to Developer, Village shall deposit into the TIF Escrow (defined below) on the Closing Date an amount equal to (i) Four Hundred Ninety Four Thousand Four Hundred Fifty and No/100 Dollars (\$494,450.00) to complete the Public Site Improvements (as defined below and not comprising the Village Improvements, but including a contingency), to pay Eligible Costs (hereinafter referred to as the "TIF Incentive") and (ii) The One Hundred Seven Thousand Two Hundred Fifty and No/100 Dollars (\$107,250.00) Village Improvements Costs to complete the Village Improvements.

Each line item in the Public Site Improvements and/or Village Improvements budgets are subject to verification by the Village, and, in particular, Village shall have the right to review and approve each contract for labor, material and/or services in connection with the Village Improvements and the Public Site Improvements, which approval shall not be unreasonably withheld or delayed. Developer covenants and agrees that Village shall only be obligated to reimburse Developer for Public Site Improvements and Village Improvements that occur within the public right-of-way, subject to reimbursement for restoration of private drives on Council Trail. Village shall deposit a capped amount equal to not more than Six Hundred One Thousand Seven Hundred and no/100 Dollars (\$601,700.00), representing the sum of TIF Incentive plus the Village Improvements Costs (collectively, the "Village Funds"), into an escrow ("TIF Escrow") with Chicago Title Insurance Company ("Escrow Agent"), to be administered and disbursed as follows:

A. Initial Disbursement. Up to fifty percent (50%) of the TIF Incentive shall be released periodically by the Escrow Agent to Developer at such time and from time to time as Developer completes the public improvement portions of the Site Improvements, set forth in EXHIBIT 6(B) hereto ("Public Site Improvements"), excluding final lift of asphalt and other

aspects of such improvements customarily completed at the conclusion of constructing the Project ("Public Site Improvements Substantial Completion"). Village Improvements Costs shall be disbursed to Developer as the Village Improvements are completed by Developer and accepted by Village.

B. Subsequent Disbursement. Subject to the provisions of subsection D below, the remaining amount of the TIF Incentive shall be released by the Escrow Agent to Developer on the later of such time as (i) Developer has completed footings and foundations for the Building and (ii) the date of Public Improvements Substantial Completion (and Village confirmation of such completion), subject to hold back for the cost of those items of the Public Improvements remaining to be completed for final completion and which shall be released at final completion (and Village confirmation of such final completion).

C. TIF Escrow/Request for Reimbursement. Developer shall advance (or shall incur, or, in certain cases, may have already advanced) all funds and all costs necessary: (i) to redevelop the Property with the Project; and (ii) to undertake other matters comprising Eligible Costs for payment pursuant hereto in connection with Developer's development, use and occupancy of the Project Area. In addition to any other terms of the TIF Escrow relating to disbursement of any portion of the Village Funds, Developer shall submit to a person or department within the Village (as the same is designated by the Village) such documentation as may be reasonably requested by the Village (including but not limited to lien waivers, cancelled checks, paid invoices and evidence of wires) verifying the Eligible Costs that Developer is requesting payment, for approval by the Village. The appropriate Village employee or department shall have ten (10) business days after receipt of such information from Developer to recommend approval or disapproval of such request for payment. If a request is approved, then Village shall issue a Payment Certificate and the appropriate payment of approved Eligible Costs; which Payment Certificate shall be provided to Escrow Agent under the TIF Escrow as a contribution precedent to disbursement. If a request is disapproved, Village shall provide Developer with a written explanation as to why such Village employee or department will not or can not recommend such reimbursement. The TIF Escrow shall provide that any unpaid amounts, including interest and other income in the TIF Escrow, after payment of all reimbursements permitted hereunder are made to Developer and after payment of the expenses of the Escrowee, shall be returned to the Village. Developer acknowledges that such review and approval (if applicable) of a payment request hereunder, the staff approval will be placed on the warrant register to go before the Board of Trustees of the Village at the next regularly scheduled meeting for approval prior to actual payment of the request.

Notwithstanding the foregoing, the TIF Escrow shall provide for a ten percent (10%) hard cost retainage from each draw, to be held as security for the completion and workmanship of the Public Site Improvements ("Retainage"). The Retainage shall be released upon the earlier of the date that the Village permits release of such Retainage, or six (6) months after Public Site Improvements Substantial Completion and after the first certificate of occupancy for the Building is issued.

D. Maximum Funding/Cost Savings: The Village shall not be obligated to advance amounts in excess of the sum of the Village Funds and Developer shall refund to Village any amounts of the Village Funds that are not actually expended on Eligible Costs for the Village Improvements and the Public Site Improvements ("TIF Incentive Reduction"). The TIF Incentive Reduction shall be paid to Village within thirty (30) days after final completion of the last of the Village Improvements and the Public Site Improvements and release of any Retainage.

E. Title. All right, title and interest in the TIF Incentive shall be held solely and exclusively by Developer at the time disbursed to Escrow Agent, subject only to disbursement provisions of the TIF Escrow and the terms of this Agreement.

6.03 Redevelopment Project Costs. In order to further the redevelopment of the Project Area, the Village hereby authorizes Developer to incur, or cause to be incurred, those Eligible Costs for which reimbursement is permitted under the terms of the Act, 65 ILCS 5/11-74.4-3, including, but not limited to, those Eligible Costs set forth in the TIF Eligible Costs Budget.

A. TIF Financial Statements. The Village agrees to provide, in a timely manner, and to the extent require by law, all information required to demonstrate continued compliance with the requirements of the Act. Upon request, the Village shall provide Developer promptly with a copy of all such information submitted to the State.

B. Limitations on Eligible Costs Reimbursements: The Village's reimbursement obligations to Developer under this Section 6 are limited as follows:

- i. Eligible Costs shall be limited to such costs that Developer incurs in connection with or as a result of the redevelopment of the Project Area with the Public Site Improvements component of the Project and as set forth under the Act; and
- ii. The reimbursement of such Eligible Costs to Developer shall be subject to and limited by the provisions of the Act and other operations of law and this Agreement.

6.04 Additional Village Covenants. Village covenants and agrees that, subject to court ordered action resulting from the Pending Actions, (1) the Village will not, without the consent of Developer, revoke or amend the TIF Ordinances and (2) the Village will comply with all annual reporting requirements set forth in the Act.

6.05 Village's Assistance/Zoning and Approvals. The Village hereby agrees to designate representatives to meet with the designated representatives of Developer for the purpose of planning and defining the obligations to be undertaken for implementing the construction and completion of the Project. The Village will assist the Developer in securing and obtaining, in an expeditious manner, all necessary governmental approvals, consents, permits,

licenses, authorizations and easements reasonably necessary or required for the development and construction of the Project.

6.06 Certificate of Completion. After completion of the construction of the Project and deliveries by Developer of an approval Developer Completion Report in accordance with this Agreement, the Village shall promptly, in accordance with then generally applicable Village's Ordinances, furnish Developer with an appropriate instrument so certifying such completion ("Certificate of Completion"). The Certificate of Completion shall be a conclusive determination of satisfaction and termination of the covenants in this Agreement with respect to the Developer Obligations, and their respective successors and assigns, to construct and complete the Project. The Certificate of Completion shall be in such form as will enable it to be recorded with the Cook County Recorder's Office. The Village shall respond to written request for a Certificate of Completion within twenty (20) business days after the Village's receipt thereof, either with the issuance of a Certificate of Completion or with a written statement indicating in adequate detail how Developer has failed to complete the construction in conformity with this Agreement, and what measures or acts will be necessary, in the reasonable opinion of the Village, to take or perform in order to obtain the Certificate of Completion. If the Village requires such additional measures or acts to assure compliance, a written request for a Certificate of Completion shall be resubmitted to the Village upon compliance with the Village's response, given as provided above.

6.07 Utility Connections. The Village hereby agrees to permit the connection of all water lines, sanitary and storm sewer lines constructed or to be constructed for the Project located within the Project Area or Village utility lines existing or constructed at and around the perimeter of the Project Area, provided that Developer complies with all requirements of general applicability promulgated by the Village for such connections.

6.08 Signs. The Village agrees to permit Developer to construct, install and maintain signs in conformance with the Village Code or other Village approval in and around the Project Area for themselves, their lenders and contractors, as applicable.

6.09 Easements/Other Grants. Village shall vacate, convey or grant temporary or permanent easements over portions of adjacent rights-of-way or other Village owned property as shall be reasonably necessary to permit the construction, use and operation of the Project in accordance with the Plans and Specifications and the Zoning Ordinances.

7. INSURANCE:

7.01 Construction. The Developer agrees that during such periods that the Developer is constructing improvements on the Project Area ("Developer Improvements"), and the Village agrees that at all times pertaining to construction of any Village Improvements done by Village, it will cause the same to be insured (or as to the Village, self-insured, if applicable), at no expense to the other party hereto, against loss or damage by fire, windstorm, hail, explosion, riot and civil commotion, damage from aircraft and vehicles and smoke damage, and such other risks as are from time to time included in "extended coverage" endorsements (including, during construction

thereof; builder's risk insurance) in an amount and form so that the proceeds are sufficient to provide for actual replacement of the respective Improvements. Said insurance policies of the Developer and the Village (or self-insurance plan of the Village, if applicable) shall provide, respectively, for waivers of subrogation against the other. Each of the parties agrees to waive all rights of recovery as against the other party hereto arising from loss or damage caused by the perils enumerated above and agrees that any policies obtained under these provisions shall be endorsed accordingly.

7.02 Liability. In addition, the Developer and the Village also will, at their own expense, maintain or cause to be maintained general public liability insurance (or, as to the Village, self-insurance) against claims for personal injury or death and property damage occurring upon, in or about their respective Improvements, such insurance in each case to afford protection to the limit of not less than \$1,000,000 in respect of injury or death to one or more persons arising out of any one occurrence, and such insurance against property damage to afford protection to the limit of not less than \$1,000,000 in respect of any instances of property damage and umbrella coverage of not less than \$5,000,000. The Developer shall have the Village named as an additional insured on its general public liability insurance policy and shall deliver or cause to be delivered to the Village a current certificate of insurance in the required amounts, identifying the Village as an additional insured on the face of said certificate. The Developer shall provide the Village with notice and a new certificate of insurance immediately if any change in insurance or insurance coverage occurs during the term of this Agreement.

8. MORTGAGEES. The Developer may collaterally assign its rights and interests hereunder to and for the benefit of any lender from time to time providing financing for the Project, without the prior written consent of the Village, as collateral security for the repayment of such financing. Notwithstanding any of the provisions of this Agreement, the holder of any mortgage or any transferee who obtains title to the Project Area or any part thereof as a result of foreclosure proceedings, deed in lieu thereof, or otherwise as a result of a realization upon the interests of the Developer serving as collateral security for debt relating to the Project or the successor to any such mortgagee, shall in no way be obligated by the provisions of this Agreement to construct or complete all or any portion of the Project; provided, however, that all covenants herein shall remain binding upon and run with the land with regard to any redevelopment thereof, and provided further that such lender, successor or assign may elect to thereafter perform the covenants and agreements of the Developer hereunder, free and clear of the Defaults of the Developer. In the event of an election to perform, such lender, successor or assign shall thereafter be subject to the covenants and agreements hereunder with respect to its future performance hereunder.

9. PERFORMANCE/DEFAULT/TERMINATION:

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

9.02 Failure to Perform/Default. Upon a failure of either party in the performance of their respective obligation hereunder which rises to the level of a Default (as hereinafter defined),

either of the parties in any court of competent jurisdiction, by any action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained or may be awarded damages for failure of performance or both, subject to applicable laws relating to governmental immunity. Before any failure of any party to this Agreement to perform its obligations hereunder shall be deemed to be a Default hereunder, the party claiming such failure shall notify, in writing, the party alleged to have failed to perform of such perceived failure and shall demand performance. Except for monetary payments due hereunder, no Default shall be deemed to have occurred hereunder if performance has commenced to the reasonable satisfaction of the complaining party within thirty (30) days of the receipt of such notice and is thereafter covered within a reasonable time.

9.03 Delay. For the purposes of any of the provisions of this Agreement, neither the Village nor the Developer, nor any successor in interest, shall be considered in Default in its obligations under this Agreement in the event of any delay in the nature of an "Excusable Delays". The party seeking the benefit of the provisions of this Section 9.03 shall have, within ten (10) days after the beginning of any such Excusable Delays, notified the other party in writing of such delay and of the cause or causes thereof, and requested an extension for the period of the Excusable Delays.

9.04 No Waiver by Delay. Any delay by the Village in instituting or prosecuting any actions or proceedings or in otherwise exercising its rights shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that the Village and the Developer should still hope to otherwise resolve the problems created by any Default involved). No waiver in fact made by the Village with respect to any specific Default by Developer should be considered or treated as a waiver of the rights of the Village with respect to any other Defaults by Developer or with respect to the particular Default except to the extent specifically waived in writing. No waiver in fact made by the Developer with respect to any specific Default by Village should be considered or treated as a waiver of the rights of the Developer with respect to any other Defaults by Village or with respect to the particular Default except to the extent specifically waived in writing.

9.05 Defaults by Developer. The occurrence of any one of the following shall constitute an Event of Default by the Developer under this Agreement:

A. A default of any material term, condition or provision, contained in any agreement or document relating to the Project (including this Agreement) or the Developer's operating agreement, which would materially and adversely impair the ability of the Developer to perform its obligations hereunder, and the failure to cure such default within thirty (30) days after Village's written notice of such default or in the time and manner as may otherwise be provided herein or therein, as applicable; provided, however, that if such default is not capable of being cured within such thirty (30) day period, and Developer has commenced cure and the additional time for curing such default will not create additional material adverse consequences, then the period within which to cure such default shall be extended for a reasonable period necessary to effect such cure.

B. A material representation or warranty of the Developer contained herein is not true and correct in material respects for a period of thirty (30) days after written notice to the Developer by the Village and has a material and adverse effect on the Project;

C. The Developer shall: (1) make a general assignment for the benefit of creditors or to an agent authorized to liquidate substantially all of its property; or (2) be finally adjudicated a bankrupt; or (3) file a petition in bankruptcy; or (4) file an answer to a creditor's petition (admitting the material allegations thereof) for an adjudication of bankruptcy; or (5) apply to a court for the appointment of a receiver for all or substantially all of its assets; or (6) have a receiver or similar official appointed for its assets, or, if such receiver or similar official is appointed without the consent of the Developer and such appointment shall not be discharged within ninety (90) days after his appointment, or the Developer has not bonded against such receivership or appointment; or (7) a petition described in (3) is filed against the Developer and remains undismissed for a period of ninety (90) consecutive days.

Except as otherwise provided in this Agreement, upon an occurrence and continuation of a Default by the Developer, which is not cured within applicable cure periods as hereinabove set forth, the Village shall have all remedies at law or in equity (excluding specific performance), as may appear necessary or desirable.

9.06 Defaults by Village. In the event that the Village is unable to perform its obligations and duties under this Agreement at the time and in the manner herein prescribed, or if the Village is in Default under this Agreement after expiration of applicable cure periods, the Developer shall be entitled to all remedies at law or in equity, including reimbursement of all costs, fees and expenses incurred by Developer in performing under this Agreement; which costs, fees and expenses shall include, without limitation, all acquisition, planning and zoning costs; interest and financing costs; costs of surveys, plans, drawings, studies and other Project related materials; architectural, engineering and development fees; and the fees of attorneys and other professionals employed in connection with the Project and this Agreement. Developer acknowledges that The Village shall not be in Default for failure to provide the TIF Incentive if such failure is as a result of the final order of a court of competent jurisdiction determining that the TIF District is invalid and that all (or any portion of) of the TIF Incentive shall be withheld or refunded to Village (or other taxing body within the TIF District, as applicable).

10. MISCELLANEOUS:

10.01 Term of Agreement/Recording/Covenants Running With Land. The term of this Agreement shall commence as of the date of its execution after approval by the Village Board and shall terminate once all the obligations of the parties hereto have been fully performed and all amounts of the TIF Incentive has been expended in connection with the Project, plus interest, and any issued and outstanding Bonds (to the extent not the general obligation of the Village) have been fully paid. The parties agree to execute and deliver the original of this Agreement in

proper form for recording and/or indexing in the appropriate land or governmental records, and the parties hereto acknowledge that this Agreement, or a memorandum thereof, may be recorded with the Cook County Recorder to evidence the obligations and covenants contained herein, each of which shall, upon such recording, run with and bind the Project Area until such time as this Agreement has been terminated as provided above, or by written instrument executed by all parties hereto. Except to the extent expressly limited herein, either party hereto shall have the right to avail itself of any equitable or legal right or remedy to enforce the provisions hereof.

10.02 Amendment. This Agreement and any Exhibits attached hereto may be amended only by the mutual consent of the parties and by the adoption of an ordinance or resolution of the Village approving said amendment, as provided by law and by the execution of said amendment by the parties or their successors in interest.

10.03 No Other Agreements. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof, and, together with the Exhibits, represents the full integration of the agreement of the parties.

10.04 Consent. Except as otherwise provided in this Agreement, whenever herein consent or approval of either party is required, then such consent or approval shall not be unreasonably withheld or delayed.

10.05 Conflict of Interest/Limitation of Liability. No member, official or employee of the Village shall have any personal interest, direct or indirect, in this Agreement; nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is directly or indirectly interested. No member, official, or employee of the Village shall be personally liable to the Developer or any successor in interest or either in the event of any default or breach by the Village or for any amount which may become due to the Developer or successor or on any obligation under the terms of this Agreement.

10.06 Mutual Assistance. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications, as may be necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

10.07 Limited Applicability of Village's Approval. Any approvals made by the Village with regard to provisions of the Project are for the purposes of this Agreement only and do not affect or constitute approvals required for building permits or approvals required pursuant to any other ordinance of the Village, nor does any approval by the Village pursuant to the Agreement constitute approval of the quality, structural soundness or the safety of the Project.

10.08 Remedies Cumulative. The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any of the other remedies of such party unless specifically so provided herein.

10.09: Disclaimer: Nothing contained in this Agreement, or any act of the Village, shall be deemed or construed by any of the parties, or by third persons, to create any relationship of third party beneficiary, or of principal or agent, or of limited or general partnership, or of joint venture, or of any association or relationship involving the Village.

10.10 Notices. All notices, certificates, approvals, consents or other communications desired or required to be given hereunder shall be in writing and shall be sufficiently given on (A) the third "business day" (defined as Monday through Friday, excluding Saturday, Sunday and all nationally recognized holidays) following the day on which the same shall have been mailed by registered or certified mail, postage and fees prepaid, return receipt requested, or (B) the next succeeding business day if sent by nationally recognized overnight courier, or (C) when received if received on a business day, otherwise on the first business day after receipt, if sent by direct messenger, and in all cases, addressed as follows:

If to Village: VILLAGE OF ARLINGTON HEIGHTS
33 South Arlington Heights Road
2nd Floor
Arlington Heights, Illinois 60005-1499
Attention: Mr. Bill Dixon
Village Manager

With copies to: VILLAGE OF ARLINGTON HEIGHTS
33 South Arlington Heights Road
2nd Floor
Arlington Heights, Illinois 60005-1499
Attention: Mr. Charles Witherington-Perkins
Department of Planning and Community Development

If to Developer: ARLINGTON MEDICAL PARTNERS, LLC
c/o Lee & Associates of Illinois
8755 W. Higgins Road
Suite 1000
Chicago, Illinois 60631
Attention: Mr. Michael Prost

With copy to: MELTZER, PURTILL & STELLE, LLC
300 South Wacker Drive
Suite 3500
Chicago, IL 60606
Attention: William J. Mitchell. Esq.

The parties, by notice given hereunder, may designate any further or different address to which subsequent notices, certificates, approvals, consents or other communications shall be sent.

10.11 Governing Law. The provisions of this Agreement shall be governed by the laws of the State of Illinois.

10.12 Paragraph Headings. The paragraph headings and references are for the convenience of the parties and are not intended to limit, vary, define or expand the terms and provisions contained in this Agreement and shall not be used to interpret or construe the terms and provisions of this Agreement.

10.13 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, when taken together, shall constitute a single agreement.

10.14 Broker's Fees. The Developer and the Village each represent to the other that, except for the services of Brian Properties obtained by the Developer or the seller of the Developer Property, it has not engaged the services of any finder or broker and that it is not liable for any real estate commissions, broker's fees, or finder's fees which may accrue by means of the acquisitions of any portion of the Project Area, and each agrees to hold the other harmless from such commissions or fees as are alleged to be due from the party making such representations.

10.15 Successors and Assignees. The terms, conditions, covenants and restrictions of this Agreement shall extend and apply to and bind the successors and assignees of the Village and the successors and assigns of Developer.

10.16 Severability. If any provision of the Agreement, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the remainder of the Agreement shall be construed as if such invalid part were never included herein, and the Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

[Signature Page follows this Page]

THIS AGREEMENT is made and delivered as of the date first above written.

DEVELOPER:

ARLINGTON MEDICAL PARTNERS, LLC, an
Illinois limited liability company

By: Michael D. Prost
Michael D. Prost, Manager

VILLAGE:

VILLAGE OF ARLINGTON HEIGHTS, a
municipal corporation

By: Arlene J. Mulder
Hon. Arlene J. Mulder, Village President

ATTEST:

By: Alvin Gos
Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF Cook)

I, William J. Mitchell, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Michael D. Prost, the Manager of ARLINGTON MEDICAL PARTNERS, LLC, an Illinois limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as its own free and voluntary act and as the free and voluntary act of said ARLINGTON MEDICAL PARTNERS, LLC, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2007.



[Signature]
Notary Public

My commission expires July 10, 2008.

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, _____, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that _____ the _____ and _____ the _____ of the VILLAGE OF ARLINGTON HEIGHTS who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said VILLAGE OF ARLINGTON HEIGHTS for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2007.

Notary Public

My commission expires _____.

**ARLINGTON MEDICAL ARTS
EXHIBIT 1
TIF DISTRICT/REDEVELOPMENT PROJECT AREA**

All that part of the Southeast $\frac{1}{4}$ of Section 9 and Southwest $\frac{1}{4}$ of Section 10, all in Township 41 North, Range 11 East of the Third Principal Meridian, in Cook County, Illinois described as follows:

Beginning at the Southwest corner of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 10; running thence northeasterly along the Westerly line of the property conveyed by Emil Curtis and Doris Curtis to William Diehl and recorded as Document No. 9225797 to a point of intersection with the Southwesterly line of a parcel of land described as having a point of commencement on the West line of said Section 10, 15.41 feet North of the Southwest corner, hereinbefore said, and as described in deed Document 20690506 recorded November 29, 1968; thence northwesterly along said Southwesterly described line and projected through to a point of intersection with the Westerly line of Arlington Heights Road as said road is now traveled; thence southwesterly along said westerly line to a point of intersection with a westerly projection of the North line of the South 669.90 feet of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section 9 lying easterly of said Arlington Heights Road; thence east along said line to a point on a line 274.39 feet from and parallel with the East line of said Section 9; thence South on said parallel line 301.94 feet to a point on the North line of Golf Terrace as said street was opened per Document 14057529 and recorded May 15, 1947; thence west along said line and a west extension of said line to the westerly line of Arlington Heights Road aforesaid; thence southwesterly along said westerly line to a point of intersection with a westerly projection of the South line of Golf Road; thence east along said line projected and the South line of Golf Road aforesaid to the East line of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 10 projected south; thence north along said projected line and said East line of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, to a point on the centerline of Belmont Avenue intersecting the South line of Council Trail extended east; thence East along said extended South line to the East line of Belmont Avenue, aforesaid; thence north along said East line to the North line of Council Trail extended East; thence west along said extended line and the North line of Council Trail projected through to the centerline of Tonne Road; thence north along said centerline to the centerline of Foster Street also being the place of beginning.

ARLINGTON MEDICAL ARTS
EXHIBIT 2
DEVELOPER PROPERTY

PARCEL 1:

THAT PART OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE EAST LINE OF SAID SECTION 9, DISTANT 1004.85 FEET NORTH ALONG SAID EAST LINE FROM THE SOUTHEAST CORNER OF SAID SECTION AND RUNNING THENCE NORTH ALONG SAID EAST LINE TO A POST SET THEREIN DISTANT NORTH ALONG SAID LINE 70 RODS AND 12 LINKS FROM SAID SOUTHEAST CORNER; THENCE NORTH 76 DEGREES WEST, TO THE CENTERLINE OF STATE ROAD; THENCE SOUTHERLY ALONG SAID ROAD TO A LINE DRAWN THROUGH THE PLACE OF BEGINNING AND PARALLEL WITH THE SOUTH LINE OF SAID SECTION; THENCE EAST ALONG SAID PARALLEL LINE TO THE PLACE OF BEGINNING, (EXCEPTING FROM SAID TRACT THAT PART THEREOF DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE EAST LINE OF SAID SECTION 9, WHICH IS 70 RODS AND 12 LINKS NORTH OF THE SOUTHEAST CORNER OF SAID SECTION; THENCE NORTH 76 DEGREES WEST, 280.72 FEET TO A POINT OF BEGINNING; THENCE SOUTH 6 DEGREES 33 MINUTES 10 SECONDS WEST 29.80 FEET; THENCE NORTH 89 DEGREES 44 MINUTES WEST, 210.94 FEET TO THE CENTER LINE OF STATE ROAD; THENCE NORTHERLY ALONG SAID CENTER LINE OF ROAD TO ITS INTERSECTION WITH A WESTERLY EXTENSION OF THE FIRST DESCRIBED COURSE RUNNING NORTH 76 DEGREES WEST; THENCE SOUTHEASTERLY ALONG SAID COURSE TO THE POINT OF BEGINNING; AND EXCEPTING FROM SAID TRACT THAT PART THEREOF DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE EAST LINE SAID SECTION 9, WHICH IS 70 RODS AND 12 LINKS NORTH OF THE SOUTHEAST CORNER OF SAID SECTION; THENCE NORTH 76 DEGREES WEST, 280.72 FEET; THENCE SOUTH 6 DEGREES 33 MINUTES 10 SECONDS WEST 29.80 FEET; THENCE NORTH 89 DEGREES 44 MINUTES WEST 210.94 FEET TO THE CENTER LINE OF ORIGINAL STATE ROAD; THENCE EAST IN THE LAST DESCRIBED COURSE 30 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING EAST IN SAID COURSE 2.8 FEET, THENCE SOUTHERLY TO THE POINT OF INTERSECTION WITH A LINE DRAWN THROUGH THE POINT OF BEGINNING, AND 30 FEET EASTERLY OF AND PARALLEL WITH THE CENTER LINE OF STATE ROAD, SAID POINT OF INTERSECTION BEING 80 FEET NORTHERLY OF THE NORTH LINE OF COUNCIL TRAIL, (AS MEASURED ON SAID PARALLEL LINE); THENCE NORTHERLY ON SAID PARALLEL LINE TO THE POINT OF BEGINNING; AND EXCEPTING FROM SAID TRACT THAT PART THEREOF CONVEYED TO THE PEOPLE OF THE STATE OF ILLINOIS, DEPARTMENT OF TRANSPORTATION, BY DOCUMENT 93434028 AND DESCRIBED AS FOLLOWS: THAT PART OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON EAST LINE OF SAID SECTION 9, THAT IS 1162.96 FEET (70 RODS AND 12 LINKS RECORD) NORTH OF THE SOUTHEAST CORNER OF SAID SECTION; THENCE ON AN ASSUMED BEARING OF NORTH 76 DEGREES 41 MINUTES 38 SECONDS WEST ALONG THE NORTHERLY LINE OF GRANTOR'S PROPERTY, 281.18 FEET; THENCE SOUTH 05 DEGREES 13 MINUTES 59 SECONDS WEST, 29.76 FEET; THENCE SOUTH 88 DEGREES 56 MINUTES 49 SECONDS WEST, 166.92 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 06 DEGREES 14 MINUTES 28 SECONDS WEST, 193.22 FEET; TO THE CENTER OF COUNCIL TRAIL ROAD; THENCE SOUTH 89 DEGREES 44 MINUTES 21 SECONDS WEST ALONG SAID CENTERLINE, 38.43 FEET TO THE CENTER LINE OF ARLINGTON HEIGHTS ROAD AS DEDICATED BY PLAT RECORDED JUNE 19, 1922 AS DOCUMENT NO. 7544736; THENCE NORTH 03 DEGREES 25 MINUTES 59 SECONDS EAST ALONG THE CENTER

EXCEPTING FROM SAID PARCELS 2, 3, AND 4, THAT PART THEREOF CONVEYED TO THE PEOPLE OF THE STATE OF ILLINOIS, DEPARTMENT OF TRANSPORTATION, BY DOCUMENT NO. 93434026, DESCRIBED AS FOLLOWS: THAT PART OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE EAST LINE OF SAID SECTION 9 THAT IS 1162.96 FEET (70 RODS AND 12 LINKS, RECORD) NORTH OF THE SOUTHEAST 1/4 CORNER OF SAID SECTION; THENCE ON AN ASSUMED BEARING OF NORTH 76 DEGREES 41 MINUTES 38 SECONDS WEST, 447.48 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 06 DEGREES 14 MINUTES 28 SECONDS WEST, 71.40 FEET; THENCE SOUTH 88 DEGREES 56 MINUTES 49 SECONDS WEST, 15.16 FEET; THENCE NORTH 00 DEGREES 07 MINUTES 41 SECONDS EAST, 46.83 FEET TO AN ANGLE POINT; THENCE NORTH 14 DEGREES 25 MINUTES 24 SECONDS EAST, 167.84 FEET; THENCE SOUTH 07 DEGREES 49 MINUTES 38 SECONDS WEST, 139.41 FEET TO THE POINT OF BEGINNING) ALL IN COOK COUNTY, ILLINOIS.

PARCEL 5:

THAT PART OF SECTION 9 AND SECTION 10, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE EAST LINE OF SECTION 9, THAT IS 1305.92 FEET NORTH OF THE SOUTHEAST CORNER OF SAID SECTION, THENCE NORTH 76 DEGREES 00 MINUTES 00 SECONDS WEST, 455.24 FEET TO THE CENTER LINE OF ARLINGTON HEIGHTS ROAD, THENCE NORTHEASTERLY ALONG THE CENTER OF SAID ROAD, 47.76 FEET; THENCE SOUTH 76 DEGREES 00 MINUTES 00 SECONDS EAST, 449.17 FEET TO A POINT ON THE WESTERLY LINE OF THE PROPERTY CONVEYED BY EMIL CURTIS AND DORIS CURTIS TO WILLIAM DIEHL AND RECORDED AS DOCUMENT NUMBER 9225797, THENCE SOUTHWESTERLY ALONG SAID LINE 15.23 FEET TO THE EAST LINE OF SAID SECTION 9; THENCE SOUTH 33.80 FEET TO THE PLACE OF BEGINNING, (EXCEPT THEREFROM THE WESTERLY 30 FEET FALLING WITHIN ARLINGTON HEIGHTS ROAD) IN COOK COUNTY, ILLINOIS.

PARCEL 6:

THAT PART OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 9 AND THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 10, ALL IN TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE WEST LINE OF SAID SECTION 10, THAT IS 15.41 FEET NORTH OF THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 10 AND RUNNING THENCE NORTHWESTERLY IN A STRAIGHT LINE THAT FORMS AN ANGLE OF 76 DEGREES 00 MINUTES 00 SECONDS (MEASURED FROM NORTH TO WEST) WITH THE WEST LINE SAID SECTION 10, A DISTANCE OF 442.50 FEET TO THE CENTER LINE OF ARLINGTON HEIGHTS ROAD; THENCE NORTHEASTERLY ALONG THE CENTER LINE OF SAID ROAD, 95.20 FEET; THENCE SOUTHEASTERLY PARALLEL TO THE FIRST DESCRIBED COURSE, A DISTANCE OF 465.83 TO A POINT ON THE WESTERLY LINE OF THE PROPERTY CONVEYED BY EMIL CURTIS AND DORIS CURTIS TO WILLIAM DIEHL AND RECORDED AS DOCUMENT NUMBER 9225797; THENCE SOUTHWESTERLY ALONG SAID LINE A DISTANCE OF 96.95 FEET TO A POINT ON A LINE FIRST COURSE EXTENDED; THENCE NORTHWESTERLY ALONG SAID LINE 6.67 FEET TO THE POINT OF BEGINNING, (EXCEPT THEREFROM THE WESTERLY 30 FEET FALLING WITHIN ARLINGTON HEIGHTS ROAD) IN COOK COUNTY, ILLINOIS.

OF SAID ARLINGTON HEIGHTS ROAD, 191.71 FEET; THENCE NORTH 88 DEGREES 56 MINUTES 49 SECONDS EAST, 30.00 FEET; THENCE SOUTH 03 DEGREES 21 MINUTES 59 SECONDS WEST, 79.05 FEET TO A POINT THAT IS 80.00 FEET NORTH OF THE NORTH LINE OF COUNCIL TRAIL ROAD AND 30.00 FEET EASTERLY OF THE CENTER LINE OF SAID ARLINGTON HEIGHTS ROAD; THENCE NORTH 05 DEGREES 23 MINUTES 01 SECONDS EAST 79.31 FEET; THENCE NORTH 88 DEGREES 56 MINUTES 49 SECONDS EAST, 15.16 FEET TO THE POINT OF BEGINNING) ALL IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING A POINT ON THE EAST LINE SAID SECTION 9, WHICH IS 70 RODS AND 12 LINKS NORTH OF THE SOUTHEAST CORNER OF SAID SECTION; THENCE NORTH 76 DEGREES WEST, 280.72 FEET TO A POINT OF BEGINNING; THENCE SOUTH 6 DEGREES 33 MINUTES 10 SECONDS WEST, 29.80 FEET; THENCE NORTH 89 DEGREES 44 MINUTES WEST, 210.94 FEET TO THE CENTER LINE OF STATE ROAD; THENCE NORTHERLY ALONG SAID CENTER LINE OF ROAD TO ITS INTERSECTION WITH A WESTERLY EXTENSION OF THE FIRST DESCRIBED COURSE RUNNING NORTH 76 DEGREES WEST; THENCE SOUTHEASTERLY ALONG SAID COURSE TO THE POINT OF BEGINNING, (EXCEPTING THEREFROM THAT PART THEREOF LYING WESTERLY OF A LINE DRAWN FROM A POINT ON THE SOUTH LINE OF SAID TRACT 32.8 FEET EAST OF THE ORIGINAL CENTER LINE OF STATE ROAD, AND RUNNING THENCE NORTHERLY TO THE INTERSECTION OF THE NORTH LINE OF SAID TRACT AT A POINT 30 FEET EAST OF THE CENTER LINE OF ORIGINAL STATE ROAD) IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THAT PART OF SECTION 9, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING A POINT ON THE EAST LINE OF SAID SECTION 9 THAT IS 1162.92 FEET NORTH OF THE SOUTHEAST CORNER OF SAID SECTION; THENCE NORTHWESTERLY ON A LINE THAT FORMS AN ANGLE OF 76 DEGREES WITH SAID EAST LINE OF SECTION 9, MEASURED FROM NORTH TO WEST, A DISTANCE OF 492.26 FEET TO THE CENTER LINE OF ARLINGTON HEIGHTS ROAD; THENCE NORTHERLY ALONG THE CENTER LINE OF SAID ROAD, 91.01 FEET; THENCE SOUTHEASTERLY PARALLEL TO THE FIRST DESCRIBED COURSE, A DISTANCE OF 467.98 FEET TO THE EAST LINE OF SAID SECTION 9; THENCE SOUTH 93.79 FEET TO THE PLACE OF BEGINNING, (EXCEPT THEREFROM THE WESTERLY 30 FEET FALLING WITHIN ARLINGTON HEIGHTS ROAD) IN COOK COUNTY, ILLINOIS.

PARCEL 4:

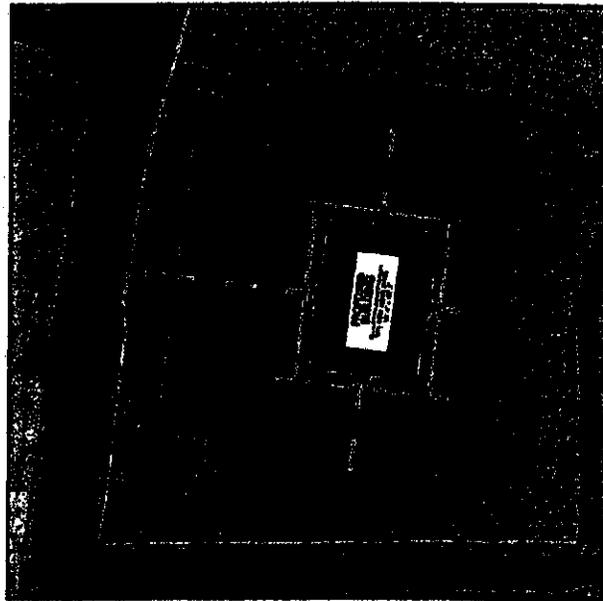
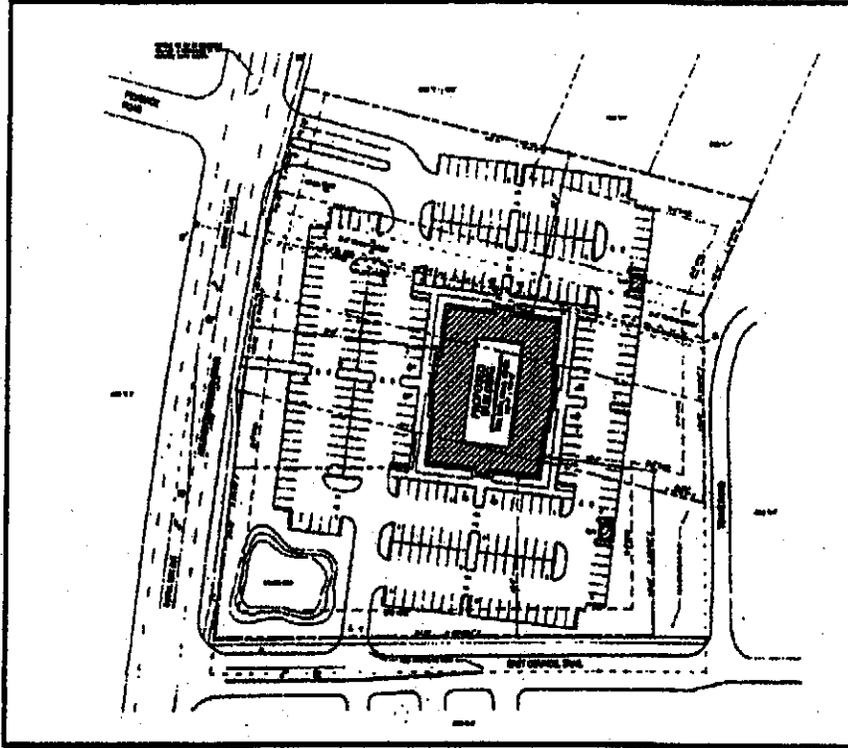
THAT PART OF SECTION 9, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE EAST LINE SAID SECTION 9 THAT IS 1256.71 FEET NORTH OF THE SOUTHEAST CORNER OF SAID SECTION; THENCE NORTH 76 DEGREES WEST, 467.98 FEET TO THE CENTER OF ARLINGTON HEIGHTS ROAD; THENCE NORTHEASTERLY ALONG THE CENTER OF SAID ROAD, 47.76 FEET; THENCE SOUTH 76 DEGREES EAST, 455.24 FEET TO THE EAST LINE OF SAID SECTION 9; THENCE SOUTH 49.21 FEET TO THE PLACE OF BEGINNING, (EXCEPT THEREFROM THE WESTERLY 30 FEET FALLING WITHIN ARLINGTON HEIGHTS ROAD) IN COOK COUNTY, ILLINOIS.

NOTWITHSTANDING THE PROVISIONS OF THE CONDITIONS AND STIPULATIONS OF THIS POLICY, ALL ENDORSEMENTS, IF ANY, ATTACHED HERETO ARE VALID DESPITE THE LACK OF SIGNATURE BY EITHER THE PRESIDENT, A VICE PRESIDENT, THE SECRETARY, AN ASSISTANT SECRETARY, OR VALIDATING OFFICER OR AUTHORIZED SIGNATORY OF THE COMPANY.

ARLINGTON MEDICAL ARTS
EXHIBIT 3
SITE PLAN

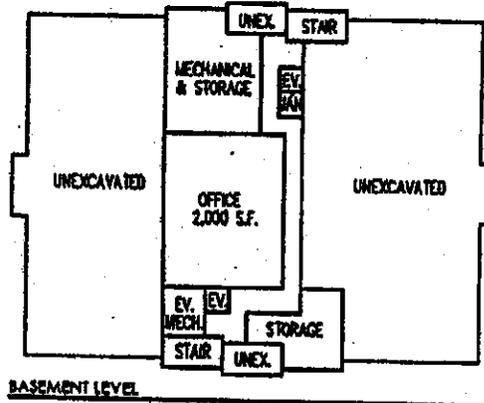
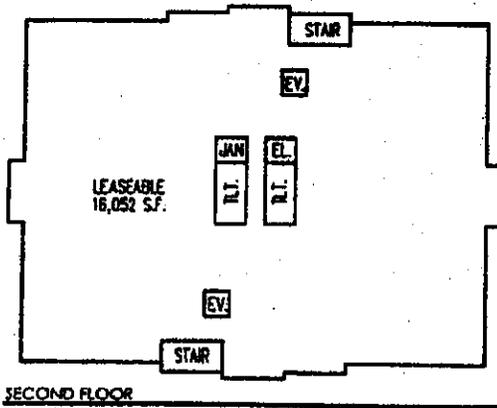
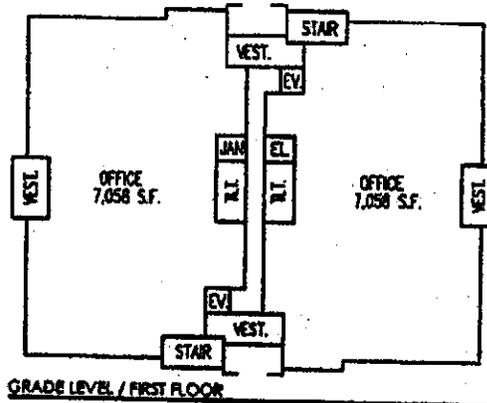
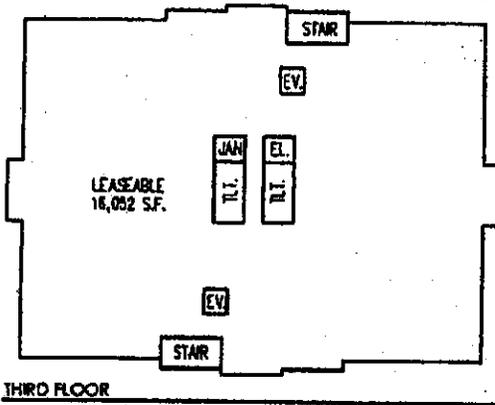
Proposed Architectural Site Plan

ARLINGTON HEIGHTS ROAD & E. COUNCIL TRAIL
ARLINGTON HEIGHTS, ILLINOIS



Proposed Schematic Floor Plans

ARLINGTON HEIGHTS ROAD & E. COUNCIL TRAIL
ARLINGTON HEIGHTS, ILLINOIS



BRIAN PROPERTIES, INC.

**ARLINGTON MEDICAL ARTS
EXHIBIT 4
TIF ELIGIBLE EXPENSES**

Public Improvements:

a)	Curb/sidewalks	\$	52,000.00
b)	Utilities 900LF	\$	95,000.00
c)	Restoration, Driveways/Landscape	\$	45,000.00
d)	Pave 50% Council Trail Rd Length of property	\$	97,500.00
e)	Widen Council Trail, turn lane	\$	35,000.00
f)	Landscaping in Public ROW	\$	25,000.00
g)	Excavation and backfill	\$	<u>100,000.00</u>
	Subtotal	\$	449,500.00
	10% Contingency	\$	<u>44,950.00</u>
		\$	<u>494,450.00</u>

Village Improvements:

	Pave 50% Council Trail Rd Length of property	\$	97,500.00
	10% Contingency	\$	<u>9,750.00</u>
		\$	<u>107,250.00</u>
	TOTAL	\$	<u>601,700.00</u>

**ARLINGTON MEDICAL ARTS
EXHIBIT 5
LAWSUITS PENDING**

1. Capital Fitness Arlington Heights Inc., d/b/a Powerhouse Gym, an Illinois Corporation v. The Village of Arlington Heights, a municipal corporation.
2. AGOLF, LLC, an Illinois limited liability company v. The Village of Arlington Heights, a municipal corporation.
3. Arlin-Golf Inc. v. The Village of Arlington Heights, a municipal corporation.

**ARLINGTON MEDICAL ARTS
EXHIBIT 6(A)
VILLAGE IMPROVEMENTS**

Village Improvements

Pave 50% Council Trail Rd Length of property	\$ 97,500.00
10% Contingency	<u>\$ 9,750.00</u>
TOTAL	<u>\$ 107,250.00</u>

ARLINGTON MEDICAL ARTS
EXHIBIT 6(B)
PUBLIC SITE IMPROVEMENTS

Public Improvements

a) Curbs/sidewalks	\$ 52,000.00
b) Utilities 900LF	\$ 95,000.00
c) Restoration, Driveways/Landscape	\$ 45,000.00
d) Pave 50% Council Trail Rd Length of property	\$ 97,500.00
e) Widen Council Trail, turn lane	\$ 35,000.00
f) Landscaping in Public ROW	\$ 25,000.00
g) Excavation and backfill	<u>\$ 100,000.00</u>
Subtotal	\$ 449,500.00
10% Contingency	<u>\$ 44,950.00</u>
TOTAL	<u>\$ 494,450.00</u>

TIF #4
Arlington Heights Road/Golf Road

**AN ORDINANCE APPROVING A
TERMINATION AGREEMENT BETWEEN
THE VILLAGE OF ARLINGTON HEIGHTS
AND TARGET CORPORATION**

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF ARLINGTON HEIGHTS:

SECTION ONE: That a Termination Agreement between the Village of Arlington Heights and Target Corporation, related to the termination of a redevelopment agreement for certain property located at the northeast corner of Golf and Arlington Heights Roads, Arlington Heights, Illinois, a true and correct copy of which is attached hereto, be and the same is hereby approved.

SECTION TWO: The Village President and Village Clerk are hereby authorized and directed to execute said agreement on behalf of the Village of Arlington Heights.

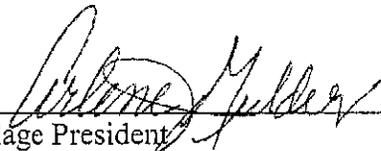
SECTION THREE: This Ordinance shall be in full force and effect from and after its passage and approval in the manner provided by law and the Agreement shall be recorded by the Village Clerk in the Office of the Recorder of Cook County.

AYES: KUCERA, TOLJANIC, JENSEN, ROSENBERG, FARWELL, STENGREN, HAYES, BREYER, MULDER

NAYS: NONE

PASSED AND APPROVED this 7th day of May, 2007.

ATTEST:


Village President


Village Clerk

AGRRES:TIF #4 Termination Agreement

07-029/A07-008

07-029

Alger

MUTUAL TERMINATION AGREEMENT

THIS TERMINATION AGREEMENT is made and entered into as of this 7th day of May, 2007, by and between the **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**, an Illinois Municipal Corporation, duly organized and existing as a home rule unit of government (the "Village") and **TARGET CORPORATION**, a Minnesota Corporation ("Target").

RECITALS

- A. The Village and GBA-SRES, LLC, ("GBA-SRES") an Illinois limited liability company entered into an Amended and Restated Redevelopment Agreement dated June 19, 2006 (the "Redevelopment Agreement"), relating to the development of certain property within the Arlington Heights/Golf Road Redevelopment Project Area No. 4 as described in the Redevelopment Agreement.
- B. Pursuant to an Assignment of Redevelopment Agreement dated July 25, 2006, GBA-SRES assigned all of its rights, title and interest under the Redevelopment Agreement to Target and Target is authorized to enter into this Agreement on its own behalf.
- C. The Redevelopment Agreement was based upon development of the subject property with financial assistance by the Village which financial assistance was to be derived from incremental tax revenues in the manner provided in the Tax Increment Allocation Redevelopment Act.
- D. That by virtue of the lapse of time, increased costs and changed economic conditions, the parties have determined that the development contemplated under the Redevelopment Agreement based upon projected tax increment revenues is no longer economically feasible under the terms of the Redevelopment Agreement.
- E. That based upon the present economic status of the project and the inability to complete the financing with tax increment funds as originally contemplated, the parties desire to terminate the Redevelopment Agreement.

Now, therefore, in consideration of the premises and for other valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 1. The Redevelopment Agreement is hereby terminated in its entirety.
- 2. The parties, and GBA-SRES by joining in the execution hereof, release each other, their agents, officials, employees and attorneys from any and all claims, liability, and all costs and expenses in connection with the Redevelopment Agreement or otherwise arising out of the negotiations of the parties and GBA-SRES.
- 3. No provision of the Redevelopment Agreement shall survive this Termination Agreement and any covenants or agreements contained in the Redevelopment Agreement are null and void and of no further effect, *ab initio*.

A07-008 107-029

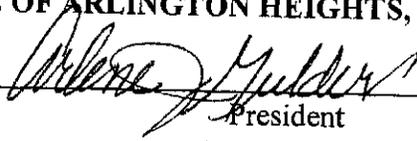
A07-008

4. This Mutual Termination Agreement is executed in multiple counterparts, each of which shall constitute one and the same instrument.
5. That this Mutual Termination Agreement is drafted jointly by the parties and shall be governed by the laws of Illinois.

IN WITNESS WHEREOF, the Village and Target have caused this Agreement to be executed and attested as of the dates set forth below.

DATE: _____, 2007.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

By: 
President

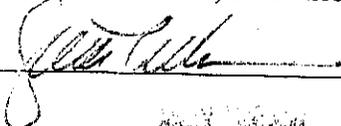
(SEAL)

Attest:


Village Clerk

DATE: April 30, 2007.

TARGET CORPORATION, a Minnesota corporation

By: 

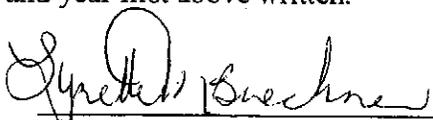
Name: Mark G. ... Sr. Vice President

Title: Target Corporation

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 7th day of May, 2007, before me appeared Arlene J. Mulder, to me personally known, who, being by me duly sworn, did say that she is the Village President of **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**, and that she is authorized to sign the instrument on behalf of said Village, and acknowledged to me that she executed the within instrument as said Village's free act and deed.

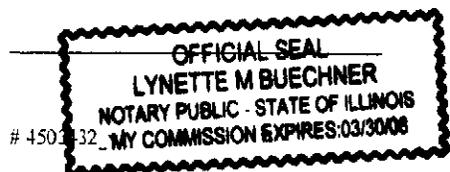
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.



Notary Public

(SEAL)

My Commission Expires:



JOINDER

The undersigned joins in the execution of this Mutual Termination Agreement and agrees to its terms.

GBA-SRES, LLC,
an Illinois limited liability company

By: SRES I, LLC, an Illinois limited liability company, its member

By: 

Name: Stephen M. Leonard

Title: Member

Date: May 2, 2007

By: G.B. Arlington Heights, LLC, an Indiana limited liability company, its member

By: G.B. Managers, Inc. an Indiana corporation, its Manager

By: _____

Name: _____

Title: _____

Date: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 2nd day of May, 2007, before me appeared Stephen M. Leonard, to me personally known, who, being by me duly sworn, did say that he is the Member of SRES I, LLC, an Illinois limited liability company, a member of **GBA-SRES, LLC**, and that he is authorized to sign the instrument on behalf of said company, and acknowledged to me that he executed the within instrument as said company's free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.



Seth L. Halpern
Notary Public

(SEAL)

My Commission Expires:

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 2007, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the President of G.B. Managers, Inc., an Indiana corporation, the Manager of G.B. Arlington Heights, LLC, an Indiana limited liability company, a member of **GBA-SRES, LLC**, and that he is authorized to sign the instrument on behalf of said company, and acknowledged to me that he executed within instrument as said company's free act and deed.

_____ IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Notary Public

SEAL

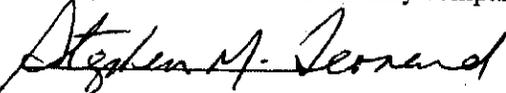
My Commission Expires:

JOINDER

The undersigned joins in the execution of this Mutual Termination Agreement and agrees to its terms.

GBA-SRES, LLC,
an Illinois limited liability company

By: SRES I, LLC, an Illinois limited liability company, its member

By: 

Name: Stephen M. Leonard

Title: Member

Date: May 2, 2007

By: G.B. Arlington Heights, LLC, an Indiana limited liability company, its member

By: G.B. Managers, Inc. an Indiana corporation, its Manager

By: 

Name: ADRIAN BROWN

Title: PRESIDENT

Date: 5/14/07

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 2nd day of May, 2007, before me appeared Stephen M. Leopold, to me personally known, who, being by me duly sworn, did say that he is the Member of SRES I, LLC, an Illinois limited liability company, a member of GBA-SRES, LLC, and that he is authorized to sign the instrument on behalf of said company, and acknowledged to me that he executed the within instrument as said company's free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.



Seth L. Halpern
Notary Public

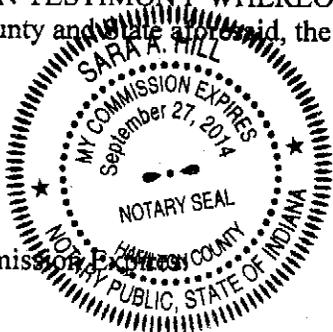
(SEAL)

My Commission Expires:

STATE OF IN)
) SS
COUNTY OF Hamilton)

On this 14th day of May, 2007, before me appeared Adnan Brown, to me personally known, who, being by me duly sworn, did say that he is the President of G.B. Managers, Inc., an Indiana corporation, the Manager of G.B. Arlington Heights, LLC, an Indiana limited liability company, a member of GBA-SRES, LLC, and that he is authorized to sign the instrument on behalf of said company, and acknowledged to me that he executed within instrument as said company's free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.



Notary Public

Sara A. Hill

SEAL

My Commission Expires

ATTACHMENT F and K

(TIF IV)

See Attached.

Village of Arlington Heights
Analysis of T.I.F. IV Fund
For the Fiscal Year Ended April 30, 2008

Beginning Balance May 1, 2007 \$714,243

Deposits:

Property Taxes	375,325
State Sales Tax	0
Local Sales Tax	0
Interest	47,577
Loan Repayments	0
Miscellaneous	0

Total 422,901

Balance plus Deposits \$1,137,144

Expenditures:

Redevelopment	44,745
Service charge	0
Debt Service	0
Bond Issuance Costs	0

Total 44,745

Ending Balance April 30, 2008: \$1,092,399

Ending Balance by Source:

Property Tax 1,092,399

1,092,399

Fund Balance by Source and by Year for Determining Surplus Allocations
 Village of Arlington Heights -- T.I.F. IV

REPORT YEAR (ENDING YR)

SOURCE YEAR	BALANCE 2006	BALANCE 2007	BALANCE 2008	BALANCE 2009	BALANCE 2010
2003-2004					
PROPERTY	23,038	0			
LOCAL SALES	0	0			
STATE SALES	0	0			
INTEREST	0	0			
BOND PROCEED	0	0			
OTHER	0	0			
TOTAL	<u>23,038</u>	<u>0</u>			
2004-2005					
PROPERTY	162,403	0			
LOCAL SALES	0	0	0		
STATE SALES	0	0	0		
INTEREST	0	0	0		
BOND PROCEED	5,500	0	0		
OTHER	0	0	0		
TOTAL	<u>167,903</u>	<u>0</u>	<u>0</u>		
2005-2006					
PROPERTY	340,233	332,871	288,126		
LOCAL SALES			0	0	
STATE SALES			0	0	
INTEREST	18,768		0	0	
BOND PROCEED			0	0	
OTHER			0	0	
TOTAL	<u>359,001</u>	<u>332,871</u>	<u>288,126</u>	<u>0</u>	
2006-07					
PROPERTY		339,738	339,738	0	0
LOCAL SALES				0	0
STATE SALES				0	0
INTEREST		41,634	41,634	0	0
BOND PROCEED				0	0
OTHER				0	0
TOTAL		<u>381,372</u>	<u>381,372</u>	<u>0</u>	<u>0</u>
2007-08					
PROPERTY			375,325		0
LOCAL SALES					0
STATE SALES					0
INTEREST			47,577		0
BOND PROCEED					0
OTHER					0
TOTAL			<u>422,901</u>		<u>0</u>
ENDING BALANCE	549,942	714,243	1,092,399	0	0

Balance required for debt service and additional redevelopment projects.

TIF IV

<u>2006</u>	<u>Rate</u>	<u>2005</u>	<u>2006</u>	<u>Variance</u>
0.562	Cook Cty	34,133	28,823	(5,310)
0.284	MSD	17,569	14,565	(3,004)
1.277	Mun	66,203	65,492	(711)
4.124	Schools	221,588	211,503	(10,085)
0.461	Park	25,265	23,643	(1,622)
0.071	Other	3,960	3,641	(319)
<u>6.779</u>		<u>368,718</u>	<u>347,667</u>	<u>(21,051)</u>

11,100,589 - 2006 EAV

(5,971,996) - Base

5,128,593 - Increase from Base

Village of Arlington Heights
 Additional T.I.F. IV Information
 Fiscal 2008 Annual Report

Initial Equalized Assessed Valuation	\$5,971,996
Current Equalized Assessed Valuation (2006)	\$11,100,589
Incremental revenues generated from 2006 EAV	\$347,667
Incremental revenues generated from previous year EAV	368,718
Annual change	(\$21,051)

Breakdown of change by taxing district:

Cook County & Forest Preserve	(\$5,310)
Metropolitan Reclamation District of Greater Chicago	(3,004)
Municipality	(711)
School District(s)	(10,085)
Park District(s)	(1,622)
Other	(319)
Total	(\$21,051)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF IV FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2008
(With Comparative Actual for 2007)

	2008		Actual	2007 Actual
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ 340,000	\$ 340,000	\$ 375,325	\$ 339,738
Investment income	5,000	5,000	47,576	41,634
Total revenues	345,000	345,000	422,901	381,372
EXPENDITURES				
Current				
Community development				
Contractual services	200,000	200,000	44,745	217,071
Capital outlay	-	601,700	-	-
Debt service				
Principle	50,000	50,000	-	-
Total expenditures	250,000	851,700	44,745	217,071
NET CHANGE IN FUND BALANCE	\$ 95,000	\$ (506,700)	378,156	164,301
FUND BALANCE, MAY 1			714,243	549,942
FUND BALANCE, APRIL 30			\$ 1,092,399	\$ 714,243

(See independent auditor's report.)