

JOINT REVIEW BOARD MEETING

DOWNTOWN/IL RT. 83 TIF VILLAGE OF LONG GROVE (FY 2011 Review)

**Village Hall, Long Grove, Illinois
3110 Old McHenry Road
Long Grove IL 60047**

Meeting Agenda

July 22, 2014 - 9:00 a.m.

1. Call to Order
2. Introduction of Representatives of Taxing Districts and Public Member
3. Selection of Chairperson
4. Review Status of TIF (FY 2011 Annual Report)
5. Review Effectiveness of TIF
6. Public Comment
7. Other Business
8. Adjournment

**FY 2011
ANNUAL TAX INCREMENT
FINANCE
REPORT**

Name of Municipality Long Grove Reporting Fiscal Year 2011
 County Lake Fiscal Year End 4/30/2011
 Unit Code 049120132

TIF Administrator Contact Information

First Name David Last Name Lothapoch
 Address 3110 Oak/McHenry Rd Title Village Manager
 Telephone 847-634-9440 City Long Grove Zip 60047
 E-Mail dlothapoch@longgrove.net

I attest to the best of my knowledge, the report of the redevelopment project areas in the Village Of Long Grove is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74 4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74 6-10 et. seq.] subject to final confirmation by the Village's auditors.



 Written signature of TIF Administrator

11/23/2008
 Date

Section 1 (65 ILCS 5/11-74 4-5 (d) (1-5) and 65 ILCS 5/11-74 6-22 (d) (1-5)*)

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
Long Grove Downtown/ IL RC 83 TIF District	2/26/2008	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74 4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74 6-10 et. seq.]

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

Name of Redevelopment Project Area:	Downtown/IL Rt. 83 TIF District
Primary Use of Redevelopment Project Area*:	Combination/Mixed
If "Combination/Mixed" List Component Types:	Business Dist., Retail
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act	<input checked="" type="checkbox"/>
Industrial Jobs Recovery Law	<input type="checkbox"/>

	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	
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

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

<p>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</p>	X	
<p>A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</p>	X	

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

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 \$
(3,271,014)

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 65,370	\$ 87,283	1%
State Sales Tax Increment	\$ 44,003	\$ 44,003	0.5%
Local Sales Tax Increment	\$ 4,534	\$ 4,534	0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 116	\$ 116	0%
Land/Building Sale Proceeds			0%
Bond Proceeds	\$ 4,801,769	\$ 8,068,288	96%
Transfers from Municipal Sources	\$ 208,383	\$ 208,383	2.5%
Private Sources			0%
Other Miscellaneous Revenue	\$ 146	\$ 146	0%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 5,124,321

Cumulative Total Revenues/Cash Receipts \$ 8,412,753 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$
2,639,973

Distribution of Surplus

Total Expenditures/Disbursements \$
2,639,973

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$
2,484,348

FUND BALANCE, END OF REPORTING PERIOD \$
(786,666)

- 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)		
Legal Expenses	42,815	
		\$ 42,815
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)		
Sunset Grove Capital Improvements	1,530,629	
Archer Road & Parking Lot Improvements (ESI and Curran)	(30,930)	
Covered Bridge Repair	5,273	
Old McHenry Road - Installation of Modern Roundabout	2,335	
Streetscapes expense	3,540	

IL83 and Downtown Public Water System Improvements	185,382	
Robert Parker Coffin Road Paving	7,254	
		\$ 1,703,483
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -
7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		\$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
Interest on tax increment revenue bonds	85,292	
Debt Issuance Costs for Limited Obligation Tax Increment Revenue Bonds	300,000	
Interest on TIF bonds-Series 2009 A and B	208,383	
		\$ 593,675
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		\$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
11 Relocation costs. Subsection (q)(8) and (o)(10)		

		\$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		\$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		\$ -
14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
Sales Tax Rebate Expense	300,000	
		\$ 300,000
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		\$ 2,639,973

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 \$
(786,666)

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Limited obligation tax increment revenue bonds	\$ 4,450,000	\$ 4,450,000
Series 2009A Bonds	\$ 1,500,000	\$ 784,229
Series 2009B Bonds	\$ 3,000,000	\$ 2,834,059
Series 2011A Bonds	\$ 950,000	
Total Amount Designated for Obligations	\$ 9,900,000	\$ 8,068,288

2. Description of Project Costs to be Paid		
Municipal Advances		\$208,383

Total Amount Designated for Project Costs \$ - 208,383

TOTAL AMOUNT DESIGNATED \$ 8,276,671

SURPLUS*/(DEFICIT) \$ (9,063,337)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

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.

_____ No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
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TOTAL:			
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ 1,840,000
Public Investment Undertaken	\$ 7,124,448	\$ 1,576,000	\$ 9,892,031
Ratio of Private/Public Investment	0		0.1568

Project 1: Sunset Grove Capital Improvements			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 1,617,545	\$ 1,000,000	\$ 3,000,000
Ratio of Private/Public Investment	0		0

Project 2: Covered Bridge Repair			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 200,516	\$ 1,000	\$ 201,516
Ratio of Private/Public Investment	0		0

Project 3: Old McHenry Rd Modern Roundabout			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 93,121		\$ 93,121
Ratio of Private/Public Investment	0		0

Project 4: Streetscapes			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 26,585		\$ 26,585
Ratio of Private/Public Investment	0		0

Project 5: IL 83 Public Water System			
Private Investment Undertaken (See Instructions)			\$ 1,840,000
Public Investment Undertaken	\$ 302,409	\$ 500,000	\$ 1,000,000
Ratio of Private/Public Investment	0		1.7785

Project 6: Robert Parker Coffin Rd Paving			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 208,936		\$ 208,936
Ratio of Private/Public Investment	0		0

Project 7: Downtown Wayfinding Signs			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 9,351	\$ 75,000	\$ 84,351
Ratio of Private/Public Investment	0		0

Project 8:			
Stemple Parking Lot			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 8,436	\$ -	\$ 8,436
Ratio of Private/Public Investment	0		0

Project 9:			
Burial of Com Ed Lines			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 15,000	\$ -	\$ 15,000
Ratio of Private/Public Investment	0		0

Project 10:			
Archer Lot			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 4,673,479		\$ 4,673,479
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17:			
Private Investment Undertaken (See Instructions)			

Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

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Optional Documents	Enclosed	
Legal description of redevelopment project area		
Map of District		

ATTACHMENT B
CEO CERTIFICATION



3110 OLD MCHENRY ROAD, LONG GROVE, ILLINOIS 60047

December 30, 2013

RE: Village of Long Grove Certificate of Compliance
Village of Long Grove Downtown/Il. Rt. 83 Tax Increment Finance District
For Fiscal Year Ending April 30, 2011

I, Angie Underwood, the duly elected chief executive officer of the Village of Long Grove, County of Lake, State of Illinois, do hereby certify that to the best of my knowledge and subject to the limitations set forth in the Annual Tax Increment Finance Report for the fiscal year ending 30 April 2011, and to the best of my knowledge and belief, the Village of Long Grove has substantially complied with the applicable requirements of the Illinois Tax Increment Allocation Redevelopment Act for the fiscal year ending 30 April 2011, except as to timeliness of filing the above-captioned report and convening of the Joint Review Board.

Sincerely,

Angie Underwood

Angie Underwood
President
Village of Long Grove

ATTACHMENT C
LEGAL COUNSEL CERTIFICATION

Holland & Knight

131 South Dearborn Street, 30th Floor | Chicago, IL 60603 | T 312.263.3600 | F 312.578.6666
Holland & Knight LLP | www.hklaw.com

Victor P. Filippini, Jr.
312.578.6560
victor.filippini@hklaw.com

31 December 2013

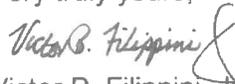
Village President Angie Underwood and the Board of Trustees
Village of Long Grove
3110 RFD
Long Grove, Illinois 60047

Re: The Village of Long Grove
Village of Long Grove Downtown/Il. Rt. 83 Tax Increment Finance District
Annual Report For Fiscal Year Ending 30 April 2011

Dear President Underwood and Trustees:

This letter confirms that, as the Village Attorney for the Village of Long Grove, Illinois, I have reviewed all information provided to me by the Village administration, staff and consultants regarding the Village's Annual Tax Increment Finance Report for the fiscal year ending 30 April 2011. Based on such information and the limitations therein set forth, and to the best of my knowledge and belief, it is my opinion that the Village of Long Grove has substantially conformed to all applicable requirements of the Illinois Tax Increment Allocation Redevelopment Act for the fiscal year ending 30 April 2011, except as to timeliness of filing the above-captioned report and convening of the Joint Review Board.

Very truly yours,



Victor P. Filippini, Jr.
Village Attorney

cc: David Lothspeich, Village Manager

ATTACHMENT D

ACTIVITIES IN FURTHERANCE OF THE REDEVELOPMENT PLAN

The *Village of Long Grove Downtown/Il. Rt. 83 Redevelopment Plan and Project* (the "Redevelopment Plan") was approved in February, 2008. Goals and objectives of the Redevelopment Plan include, *inter alia*, the following:

- Encourage economic development in the Redevelopment Project Area that is consistent with the comprehensive plan of for the development of the Village as a whole.
- Encourage a high quality appearance of buildings, rights-of-way, and open spaces and encourage high standards of design.
- Strengthen the economic well-being of the Redevelopment Project Area and the Village by increasing business activity, tax base, and job opportunities.
- Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with the Redevelopment Plan and contemporary development needs and standards.
- Provide needed public improvements or facilities.
- Provide new retail options for the Village.

During Fiscal Year 2011, the Village entered into an amended redevelopment agreement with Sunset Grove LLC for the redevelopment of certain property (the "Sunset Property") within the TIF District as a retail shopping center anchored by a Sunset Foods grocery store. Under the amended redevelopment agreement, Sunset Grove LLC agreed to develop the Property according to a phased construction schedule and make various public and private improvements, and the Village agreed to reimburse certain eligible development expenses with TIF funds, up to \$3,000,000. The Village also agreed to assume responsibility for designing, constructing, and otherwise developing a public deep-well water system (the "IL 83 Water System") to serve the retail development and other properties within the TIF District. The development of the Property and the IL 83 Water System is proceeding in accordance with the redevelopment agreement.

Additionally, the Village continued to work on various public infrastructure and facility improvements integral to the redevelopment of commercial properties within the TIF district in furtherance of the Redevelopment Plan, including improving the Robert Parker Coffin Bridge, repaving Robert Parker Coffin Road, and constructing a modern roundabout on Old McHenry Road.

ATTACHMENT E

STATE OF ILLINOIS

COUNTY OF LAKE

CERTIFICATION

I, David A. Lothspeich, the Deputy Village Clerk of the Village of Long Grove, Lake County, Illinois, do hereby certify that, as such Deputy Village Clerk, I am duly authorized to keep records of and for the Village of Long Grove, and the attached "First Amendment to Redevelopment Agreement" by and between the Village of Long Grove and Sunset Grove LLC, dated 27 July, 2010, is a true and correct copy of such First Amendment to Redevelopment Agreement as it is retained in the files of the Village, and, to the best of my knowledge, it is true and correct in its contents.

(seal)



David A. Lothspeich
Deputy Village Clerk
Village of Long Grove, Illinois

This document prepared by, and after recording return to:

Betsy L. Gates, Esq.
Holland & Knight LLP
131 S. Dearborn Street, 30th Floor
Chicago, Illinois 60603

**FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT
BY AND BETWEEN
THE VILLAGE OF LONG GROVE,
AND SUNSET GROVE L.L.C.
(SUNSET GROVE PROJECT)**

THIS FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT BY AND BETWEEN THE VILLAGE OF LONG GROVE AND SUNSET GROVE L.L.C. (SUNSET GROVE PROJECT) dated as of this 27 day of July, 2010 (the "**First Amendment**"), by and among the **VILLAGE OF LONG GROVE**, an Illinois municipal corporation ("**Village**") and **SUNSET GROVE L.L.C.**, an Illinois limited liability company (hereinafter referred to as the "**Developer**"). The Village and Developer are hereinafter collectively referred to as the "**Parties**" and individually as a "**Party**" as the context may require.

IN CONSIDERATION OF the recitals and the mutual covenants and agreements set forth in this Agreement, the Parties agree as follows:

SECTION 1. RECITALS.

A. This First Amendment amends that certain Redevelopment Agreement dated 25 March 2008 ("**Agreement**") among the Village, the Developer, and Sunset Grove Development Corporation ("**SGDC**"). The terms used in this First Amendment are the same terms as used in the Agreement, unless otherwise expressly provided in this First Amendment or unless the context otherwise requires.

B. Subsequent to execution of the Agreement, the interests of SGDC and its owners/principals, have, with the approval of the Village, been assigned to Developer. For purposes of interpreting the Agreement or this First Amendment: (i) any reference to SGDC shall be deemed to be a reference to Developer, and vice versa, irrespective of whether such reference relates to a time or an a event after the date of the assignment of SGDC's interest to Developer; and (ii) any reference to the "**Developer**" shall be deemed to be a reference to Sunset Grove, LLC, irrespective of whether such reference relates to a time or an a event after the date of the assignment of SGDC's interests to Developer.

C. The Developer is the owner of the Property (as defined in the Agreement).

D. Although the Village did establish the Water SSA as contemplated in Section 10.O of the Agreement, in March 2009, Developer requested that the Village assume responsibility for designing, constructing, and otherwise developing the Deep Well Water System. By letter dated 10 March 2009 between the Parties' attorneys (the "**March 2009 Letter**"), the Village and Developer agreed to modify the terms of the Agreement with respect to the Deep Well Water System and related matters.

E. Due to other changes in the development and financial markets affecting the Property and the Project, the Village and Developer, through a letter between their attorneys dated 22 October 2009 (the "**October 2009 Letter**"), further agreed to modify various elements and provisions of the Agreement.

F. This First Amendment is intended to incorporate into the Agreement the material terms of both the March 2009 Letter and the October 2009 Letter, as refined by the Parties and reflected in this First Amendment, and this First Amendment supersedes the terms of the March 2009 Letter and the October 2009 Letter.

SECTION TWO. AMENDMENTS TO SPECIFIC PROVISIONS OF THE AGREEMENT.

Subject to the terms and limitations in Section Three of the First Amendment, the Agreement shall be and is hereby amended in the following respects:

A. Amendment to Section 2 (Definition of "Effective Date"). The definition of "Effective Date" in Section 2, entitled "Definitions," of the Agreement is hereby amended in its entirety. So that the definition of "Effective Date" shall hereafter be and read as follows:

"Effective Date": March 25, 2008, but the Developer's right to enforce any provision of this Agreement shall be May 6, 2010, being the date that the Developer recorded a covenant against the Property, in substantially the form and substance of **Exhibit L** attached to this Agreement, declaring that the Property shall be and remain within the corporate limits of the Village.

B. Amendment to Section 5.C.1. Paragraph 1, entitled "Commencement of the Primary Phase," of Subsection C, entitled "Primary Phase Requirements," of Section 5, entitled "Schedule and Phasing for Development and Occupancy," of the Agreement shall be amended in its entirety, so that said Paragraph 5.C.1 shall hereafter be and read as follows:

1. Commencement of the Primary Phase. The Developer may undertake the Primary Phase Work upon, but not before, the approval of Final Plans for the Primary Phase Work and the delivery of performance security in the form and amounts required by Section 15 of this Agreement. The Developer shall have received a building permit and commenced the Primary Phase Work by a date no later than the earlier of (a) 36 months after the Effective Date, or (b) the date set forth on the "**Approved Primary Phase Schedule**," which is attached as Exhibit AM-1 to the First Amendment to this Agreement (the "**Primary Phase Commencement Deadline**"). If the Developer has not received a building permit and commenced the Primary Phase Work by the Primary Phase Commencement Deadline, and thereafter pursued the Primary Phase Work diligently to completion in accordance with the Approved Primary Phase Schedule, then: (i) the Preliminary PUD Plan approvals for the Property shall be null and void; and (ii) the Village may require the Developer to perform site restoration and modification activities to establish a natural open space setting on the Property, in accordance with plans to be approved by the Village ("**Site Restoration**"). In the event the Developer fails to perform all required Site Restoration, the Village is authorized to undertake Site Restoration and receive reimbursement from the Developer upon demand, such Site Restoration work being in the nature of remediation of an uncompleted building under 65

ILCS 5/11-31-1. The Corporate Authorities of the Village may grant extensions to the Approved Primary Phase Schedule by resolution and without further amending this Agreement.

C. Amendment to Section 5.C.3. Paragraph 3, entitled "Completion of the Primary Phase," of Subsection C, entitled "Primary Phase Requirements," of Section 5, entitled "Schedule and Phasing for Development and Occupancy," of the Agreement shall be amended in its entirety, so that said Paragraph 5.C.3 shall hereafter be and read as follows:

3. Completion of the Primary Phase. The Developer and any Assigned Builder shall achieve Substantial Completion of the Primary Phase Work within the earlier of (a) eighteen (18) months after the date of issuance of the first building permit for any building to be developed as part of such phase, or (b) the time set forth in the Approved Primary Phase Schedule.

D. Amendment to Section 7. Section 7, entitled "Final PUD, Subdivision, Landscaping, and Engineering Plans and Plats," of the Agreement shall be amended by adding the following sentence at the end of said Section 7: "Notwithstanding anything to the contrary in this Section 7, the Primary Phase Work shall be commenced, prosecuted, and completed in accordance with the Approved Primary Phase Schedule."

E. Amendment to Subsection 10.A. Subsection A, entitled "Design and Construction of the Improvements," of Section 10, entitled "Improvements," of the Agreement shall be amended in its entirety, so that said Subsection A shall hereafter be and read as follows:

SECTION 10. IMPROVEMENTS.

- A. **Design and Construction of the Improvements.** In connection with the development of the Property, the Developer shall, at its sole cost and expense, design, construct, and install all of the Public and Private Improvements. All Public and Private Improvements shall be designed and constructed pursuant to and in accordance with the Final Engineering Plan and the Final Landscape Plan, and, where applicable, subject to the review and approval of the authorized persons as provided by the Requirements of Law. Where field determinations are required, they must be made to the reasonable satisfaction of the Village Engineer. All work performed on the Property Improvements shall be conducted in a good and workmanlike manner and with due dispatch once commenced. Public and Private Improvements must proceed in accordance with the schedule approved by the Village Engineer and referenced in Section 10B of this Agreement; the Approved Primary Phase Schedule is attached to the First Amendment to this Agreement as Exhibit AM-1. All materials used for construction of the Public and Private Improvements shall be new and of first quality.

F. Amendment to Subsection 10.B. Subsection A, entitled "Completion of the Improvements," of Section 10, entitled "Improvements," of the Agreement shall be amended in its entirety, so that said Subsection A shall hereafter be and read as follows:

SECTION 10. IMPROVEMENTS.

* * *

B. Completion of the Improvements. The Developer shall cause all Public and Private Improvements to be completed and made ready for inspection and approval by the Village pursuant to the construction schedule that will be approved by the Village Engineer as part of the Final Engineering Plan and within the timeframe set forth in Subsection 5C3 or 5D2 of this Agreement; the schedule for Public and Private Improvements included in the Primary Phase Work shall be the Approved Primary Phase Schedule attached to the First Amendment to this Agreement as Exhibit AM-1, which shall control over any timeframe to the contrary. The Developer shall be allowed extensions of time beyond the completion dates set forth in such construction schedule only for unavoidable delay caused by Force Majeure.

G. Amendment to Paragraph 10.M.ii. Paragraph ii, entitled "Authorization to Use the Access Drive Outlot," of Subsection M, entitled "Authorizations Regarding Access Drive Outlot," of Section 10, entitled "Improvements," of the Agreement shall be amended by adding a new paragraph iv, which new paragraph iv shall hereafter be and read as follows:

M. Authorizations Regarding Access Drive Outlot.

* * *

ii. Authorization to Use the Access Drive Outlot. As a condition of the approvals for the development of the Property, the Developer agrees that it will authorize any property with frontage along the east line of Route 83 and south of Aptakistic Road (the "Accessing Property") to make use of the Access Drive Outlot, but only if the following conditions are satisfied:

- a. The Accessing Property is located within the corporate limits of the Village and a covenant substantially the same as that attached as Exhibit L to this Agreement is executed and recorded against such Accessing Property;
- b. A cross-easement for the main internal access road only in substantially the same form as the cross-easement required pursuant to Section 8(iii) and approved by the Village Attorney and Village Engineer is entered into by and between or among the owners of the Property and each Accessing

Property to ensure uninterrupted access between and among the Property and all Accessing Property;

- c. The Village has adopted a preliminary planned unit development ordinance for such Accessing Property, or the Corporate Authorities have adopted a resolution waiving this requirement; and
- d. The owner of the Accessing Property has waived any objection to being included within a business district under 65 ILCS 5/11-74.3 under substantially the same terms as are set forth in Section 13.C of this Agreement.

The Developer agrees to impose no other conditions as consideration for authorizing an Accessing Property to make use of the Access Drive Outlot, except that the Developer may require:

- e. The recordation of a covenant against the Accessing Property prohibiting the development of a grocery store or supermarket in excess of 5,000 square feet, and prohibiting any store that devotes more than 5,000 square feet of sales area to the sale of food products for off-premises consumption (other than carry-out restaurants), on such Accessing Property; and
- f. Payment by the owner of the Accessing Property of a proportionate share of the costs of acquiring and improving the Access Drive Outlot, the reasonableness of such proportionate share to be approved by the Village Engineer.

With respect to subsection 10.M.ii.d, provided such Accessing Property qualifies for inclusion within a business district, the Village (i) agrees that it will take all reasonable actions to so include such Accessing Property in a business district and (ii) acknowledges that it would be unreasonable not to so include such Accessing Property in a business district.

H. Amendment to Subsection 10.M. Subsection M, entitled "Authorizations Regarding Access Drive Outlot," of Section 10, entitled "Improvements," of the Agreement shall be amended by adding two new paragraphs iv and v, which new paragraphs iv and v shall hereafter be and read as follows:

M. Authorizations Regarding Access Drive Outlot.

* * *

- iv. Well Site Access. Notwithstanding anything to the contrary in the Agreement, to the extent that the Village constructs (or causes to be constructed) facilities for a Deep Well Water System (as defined in Section 10.O, below) on a portion of the real property legally described in Exhibit AM-2 attached to this First Amendment to the Agreement (the "Well Site"), the Developer shall grant access, utility, and drainage easements (as well as temporary construction, staging, and storage easements) to the Village upon the Access Drive Outlot or such other portions of the Property as the Village and Developer may agree, which easements shall be granted without cost or expense to the Village and in form and substance acceptable to the Village. The Developer will grant such easements to within 30 days after the date of the First Amendment to this Agreement. In the event that the Village accepts dedication of the Access Drive Outlot, the Village will have the right (but not the obligation) to convert such part of the of the Well Site access easements into a public right-of-way for the purpose of extending the Access Drive Outlot right-of-way to the easterly boundary of the Property.

- v. Well Site Construction Access. The Developer will be required at the Developer's cost to construct at least a temporary access road so that the Village has practical (as well as legal) access to the Well Site. Alternatively, the Developer may provide the Village with a temporary easement over the existing access road to the Developer's property on Route 83, provided that the Developer extends at Developer's expense such existing access road as necessary to provide access to the Well Site. Such construction of the temporary access road shall be completed within the time period set forth in the Approved Primary Phase Schedule attached to the First Amendment to this Agreement as Exhibit AM-1.

I. Amendment to Paragraph 10.N.ii. Paragraph ii, entitled "Perimeter Improvements," of Subsection N, entitled "Burial of Utilities," of Section 10, entitled "Improvements," of the Agreement shall be amended in its entirety, so that said Paragraph 10.N.ii shall hereafter be and read as follows:

- ii. Perimeter Improvements. All utility lines located along the perimeter of the Property along Route 83 or Aptakistic Road ("Perimeter Utilities") will be relocated in the manner customarily employed by the utility in question. To the extent that an affected utility requires as part of the relocation of the Perimeter Utilities that such relocation extend beyond the limits of the Property, Developer must relocate such lines in accordance with such requirements. The Developer will be required to bear all costs for relocating such Perimeter Utilities; except that the Village

agrees to advance to the Developer \$35,000.00 for the relocation of Perimeter Utilities for electrical services (the "**Advance**"), which Advance shall be tendered to the Developer within 45 days after the Developer's delivery of an invoice for the relocation of the Perimeter Utilities for electrical services. The Developer shall repay the Advance to the Village no later than three years after the effective date of the First Amendment to this Agreement, except as otherwise provided in Subsection 12.D of this Agreement.

J. Amendment to Subsection 10.O. Subsection O, entitled "Water Supply System," of Section 10, entitled "Improvements," of the Agreement shall be amended in its entirety, so that said Subsection 10.O shall hereafter be and read as follows:

- O. Water Supply System. The Parties acknowledge that a water supply system must be installed to serve the Project on the Property.
- (i) In connection with such water supply system, the Village has established a special service area (the "**Water SSA**"). The Village will ultimately design, construct, install, and commence operation (or cause to be designed, constructed, installed, and to have operations commence) of a regional deep well water supply system that is capable of serving at least the properties included within the Water SSA (the "**Deep Well Water System**").
 - (ii) In conjunction with such Deep Well Water System, the Village may issue bonds as authorized by the Water SSA (including bonds authorized by the TIF District and supported by the taxes from the Water SSA). Nothing in this Agreement shall expand or limit the Village's authority under the Water SSA.
 - (iii) The Village reserves the right to develop the Deep Well Water System in phases; provided that the Village will construct such elements of the Deep Well Water System (or such temporary facilities, including a shallow well) as are required to serve the potable water needs for the Grocery Store on the Grocery Store Lot by the time set forth in the Approved Primary Phase Schedule, subject to any extensions resulting from force majeure events. If necessary, the Developer must provide fire flows for the Grocery Store via a private temporary fire flow system (and Village will permit such a temporary fire flow system), which the Developer must disconnect upon the full water system becoming operational, but disconnection shall not be a condition precedent to the issuance of any occupancy permit (temporary, conditional, or final) unless municipal water service is available in quantities and in the location

to provide primary fire flow support. Adequate fire flows will be a requirement for any temporary, conditional, or final certificate of occupancy for the Grocery Store. Operation of the Deep Well Water System shall not be a prerequisite to issuance of any building permit on the Property.

- (iv) The Developer shall reasonably cooperate with the Village in connection with the Deep Well Water System, but, except as provided in Subsection 10.M and Paragraph 10.O.v of this Agreement, the Developer shall not be required to incur any out-of-pocket expenses related to such cooperation (other than such cooperation otherwise required by this Agreement or the Water SSA). The Village will endeavor to develop the Deep Well Water System at the lowest responsible cost consistent with the Approved Primary Phase Schedule and the availability of funds for such Deep Well Water System from the Water SSA.
- (v) As part of the Primary Phase Work, the Developer will be required to complete in a timely fashion and without cost to the Village the extension of sanitary sewerage facilities to the Well Site.

K. Amendment to Section 12. Section 12, entitled "Payment of Village Fees and Costs," of the Agreement shall be amended by adding a new Subsection D, which new Subsection 12.D shall hereafter be and read as follows:

SECTION 12. PAYMENT OF VILLAGE FEES AND COSTS.

* * *

D. Deferral of Payments to Village. Notwithstanding any provision in this Agreement to the contrary, the Parties agree as follows:

- (i) Past Due Amounts. The Developer acknowledges that it has amounts due under this Agreement that have not yet been paid to the Village (the "Past Due Amounts"); as of August 31, 2010, the Past Due Amounts were approximately \$296,677.76, including costs that the Village incurred in undertaking certain stormwater management activities on the Property. The Past Due Amounts as of August 31, 2010, are summarized on Exhibit AM-3, but do not necessarily represent all of the Past Due Amounts. Subject to Paragraph 12.D(iv) of this Agreement, the Developer acknowledges, shall not contest, its obligation to pay the Past Due Amounts.
- (ii) Anticipated Payables. The Village and the Developer acknowledge that, between the effective date of the First

Amendment to this Agreement and the earlier of the third anniversary of the First Amendment to this Agreement or October 1, 2013 (the "**Payment Deferral Date**"), the Developer is expected to incur payment obligations to the Village as provided in this Agreement (and particularly Section 12 of this Agreement), including without limitation building permit fees for which the Developer is the applicant, subdivision and zoning filing fees, staff time reimbursements, and third-party expenses that are paid by the Village in connection with this Agreement (and amendments hereto) or the Property (the "**Anticipated Payables**"). The Developer acknowledges, and shall not contest, its obligation to pay the Anticipated Expenses that are imposed in accordance with Applicable Village Codes and Ordinances or this Agreement, subject to Paragraph 12.D(iv) of this Agreement.

- (iii) **Deferral of Payments.** The Village agrees that the Developer may defer payment on the Past Due Amounts, the Anticipated Payables, and the Advance (collectively, the "**Deferred Amounts**") until the Payment Deferral Date. Except to the extent provided in Paragraph 12.D(iv) of this Agreement, the Developer shall pay the Deferred Amounts by the Payment Deferral Date.
- (iv) **Archer Lots; Extension of Payment Deferral Date; Waiver of Deferred Amounts.**
 - (a) **Archer Lots.** The Village owns developable property fronting on a connection road between Robert Parker Coffin Road and Old McHenry Road that is expected to be subdivided and zoned as four new commercial lots (the "**Archer Lots**"). A plan showing the Archer Lots is attached hereto as Exhibit AM-4. The Village will use best efforts to cause the Archer Lots to be subdivided and available for sale, no later than December 31, 2010. [In the event that the Archer Lots have not been subdivided and made available for sale by December 31, 2010, all dates, defined dates, and obligations of the Developer under this Section 12.D shall be delayed by one (1) day for each day that the Archer Lots remain unsubdivided or unavailable for sale after December 31, 2010.] It is further anticipated that a special use permit for the Archer Lots will be sought to permit the construction of a 7,000 square foot building on each lot for use as a standard restaurant or such other uses expressly authorized by the Village Board (the "**Archer Special Use**"). If the Village closes on the sale of one or more of the Archer Lots for at least \$375,000 per lot if the Archer Special Use is granted or for at least \$250,000 per lot if the Archer Special Use has not been granted (the "**Minimum Price**"), then the Payment Deferral Date shall be extended to the "Provisional Extended Payment Date" as defined in Subparagraph 12.D(iv)(c).

- (b) Extension of Payment Deferral Date. As of the Payment Deferral Date, if the sale of none of the Archer Lots has closed, the Village agrees to extend the Payment Deferral Date until October 1, 2013 (the "Extended Payment Deferral Date") for not more than \$300,000 of the Deferred Amounts, and the Developer shall immediately pay the balance (if any) of the Deferred Amounts. Upon the closing of the sale of any of the Archer Lots for at least the Minimum Price prior to the Extended Payment Deferral Date, the time for paying any outstanding Deferred Amounts shall be governed by the Provisional Extended Payment Date.
- (c) Payment Extensions/Waivers. If at any time before the Extended Payment Deferral Date the sale of one or more of the Archer Lots for at least the Minimum Price has closed, the Developer's obligation to pay the Deferred Amounts shall be further deferred until the earlier of: (i) the date of issuance of a certificate of occupancy for a principal building on an Archer Lot (or the date of issuance of all certificates of occupancy for the principal buildings on each Archer Lot sold by the Extended Payment Deferral Date), or (ii) October 1, 2015 (the "Provisional Extended Payment Date"); except to the extent that the Developer is entitled to a waiver of all or a portion of the Deferred Amounts as set forth in the following table (the "Deferral/Waiver Table"):

DEFERRAL/WAIVER TABLE:

→ Maximum amount of Deferred Amounts to be waived if conditions below are satisfied ↓ Date for Closing on Sale of Archer lot(s) at not less than Minimum Price/ Date for issuance of certificate of occupancy for principal building	Maximum amount of waiver of Deferred Amounts if the sale of one of the Archer Lots has closed by the date specified and has had a certificate of occupancy issued for principal building by the date specified	Maximum amount of waiver of Deferred Amounts if the sale of at least two of the Archer Lots by the date specified and have had certificates of occupancy issued for principal buildings by the date specified
January 1, 2012 for sale / April 1, 2013 for C.O.	\$450,000	\$500,000
October 1, 2012 for sale / October 1, 2014 for C.O.	\$350,000	\$400,000
October 1, 2013 for sale/ October 1, 2015 for C.O.	\$250,000	\$300,000

Any outstanding Deferred Amounts shall be paid as of the Provisional Extended Payment Date; except that, to the extent that any Archer Lots are sold as of the date set forth in the Deferral/Waiver Table and certificates of occupancy for principal buildings on such lots are actually issued by the dates for issuance of certificates of occupancy set forth in the Deferral/Waiver Table, then such portion of the Deferred Amounts as set forth in the Deferral/Waiver Table shall be waived, and the Developer shall immediately pay to the Village any remaining balance of the Deferred Amounts.

- (d) Notwithstanding anything in this Paragraph 12.D(iv) to the contrary, if any Archer Lot is purchased for at least the Minimum Price by a person unrelated to the Developer by any of the dates for sale in the Deferral/Waiver Table, then the Deferred Amounts relating to such lot as set forth in the Deferral/Waiver Table shall be waived as of the closing date for such sale irrespective of the issuance of a certificate of occupancy.

L. Amendment to Subsection 13.A. Subsection A, entitled "Future Cooperation," of Section 13, entitled "Village Agreements," of the Agreement shall be amended by adding a new Paragraph v, so that Paragraph 13.A shall hereafter be and read as follows:

SECTION 13. VILLAGE AGREEMENTS.

A. Future Cooperation. The Village agrees to provide to the Developer the following cooperation, support, and assistance as may be reasonably necessary to implement the provisions of this Agreement:

- i. The Village will assist the Developer in obtaining any and all permits and approvals from other governmental entities with jurisdiction that are required to allow the Developer to develop the Property in accordance with this Agreement, including but not limited to permits and approvals for the Public and Private Improvements;
- ii. The Village will assist the Developer in obtaining approvals and easements from private parties as may be required for the construction of the Public and Private Improvements. The Village is not required, however, to exercise any powers of eminent domain in furtherance of this Subsection 13.A.ii;
- iii. The Village will grant easements in Village rights-of-way as necessary for the easement, construction, maintenance, repair, and replacement of the Public and Private Improvements to serve the Property;

- iv. The Village will assist the Developer to establish agreements with other private parties as may be required to establish a regional deep well system serving the Property; and
- v. The Village will cooperate in helping Developer remove or otherwise resolve any existing liens or citations imposed by Federal, State, or County environmental departments, but the Village has no obligation to expend funds in connection with such cooperation or to make financial contributions with respect to any such liens, citations, or penalties.

Except as specifically set forth in this Agreement, any costs incurred by the Village in its cooperation, support, and assistance shall be fully reimbursed by the Developer in accordance with Section 12B of this Agreement.

M. Amendment to Subsection 13.C. Subsection C, entitled "Business District," of Section 13, entitled "Village Agreements," of the Agreement shall be amended in its entirety, so that Subsection 13.C shall hereafter be and read as follows:

C. Business District. The Village may designate one or more business districts in accordance with Division 74.3 of Article 11 of the Municipal Code (65 ILCS 5/11-74.3-1 *et seq.*) for the Property and the other properties within the Village located east of Illinois Route 83 and within the TIF District, which other properties may be included in a business district as a condition to accessing the Access Drive Outlot ("Business District"), but such Business District may not remain in effect for more than 45 days after the termination of the TIF District. To the extent the Village imposes an additional sales tax in conjunction with the establishment of any Business District, such additional sales tax shall be established uniformly throughout each Business District and shall not exceed one percent (1%) (the "Business District Sales Tax"). In connection with the Business District on the Property, the Developer shall cause each occupant of the Property that conducts retail sales that generate Sales Tax Revenue (a "Sales Tax Generator") to deliver to the Village copies of the "Authorization to Release Sales Tax Information to the Village of Long Grove Illinois, Illinois," in the standard form established by the Illinois Department of Revenue (IDOR), so that the Village may receive, on a calendar quarterly basis, from IDOR the information necessary to determine the amount of Sales Tax Revenue and Business District Sales Tax attributable to the retail sales of each Sales Tax Generator. If IDOR does not make such documentation available to the Village, the Developer shall exercise reasonable efforts to obtain such documentation from Sales Tax Generators on the Property. In the event either the Village or Developer questions the amount of Sales Tax Revenue and Business District Sales Tax paid to the Village by IDOR, each shall have the right to contest the amount of such Sales Tax Revenue and Business District Sales Tax. The Village and Developer will cooperate with one another in obtaining access to the necessary books and records evidencing the amount of Sales Tax Revenue and Business District Sales Tax and the information used by IDOR to calculate the amount of Sales Tax Revenue and Business District Sales Tax payable to the Village pursuant to Illinois law. The Village acknowledges and agrees that information to be provided by the Developer or a Sales Tax

Generator may be construed as proprietary, confidential, and valuable business information and to the extent permitted by state or federal law including but not limited to Section 7(1)(g) of the Illinois Freedom of Information Act, 5 ILCS 140/7(1)(g) (or any successor provision), the Village agrees to hold in confidence all such information. The Developer acknowledges that, *inter alia*, the following uses of the Business District Sales Tax revenue are proper: (a) paying principal or interest on, or other amounts due or arising from, the TIF Note or Bonds as provided in Section 14 of this Agreement; (b) paying (either directly or by reimbursing other Village funds) reimbursements of Developer Expenses, as referenced in Section 14 of this Agreement; (c) reimbursing the Village for any Deferred Amounts that are waived by the Village pursuant to Section 12 of this Agreement; (d) reimbursing the Village for any unpaid amounts that are due to the Village pursuant to Section 12 of this Agreement; (e) costs for the Deep Well Water System (including financing costs) that are not fully paid by the Water SSA taxes; and (f) costs incurred by the Village in establishing or administering the Business District or the TIF District.

N. Amendment to Subsection 14.B. Subsection B, entitled "Terms of the TIF Note," of Section 14, entitled "TIF Financing," of the Agreement shall be amended in its entirety, so that Subsection 14.B shall hereafter be and read as follows:

B. Terms of the TIF Note. The principal amount of the TIF Note shall be the total Certified Costs actually incurred by the Developer and approved by the Village pursuant to Section 14I, subject to the following conditions and limitations:

1. The total amount of Developer Expenses that may be reimbursed to the Developer by the Village pursuant to the TIF Note, the Bonds, and this Agreement shall be \$3,000,000.00, subject to the reductions set forth in this Section 14 (the "TIF Funding Cap");
2. The TIF Funding Cap shall be reduced dollar-for-dollar to the extent Village, county, state, or federal funding is committed to the payment of any of the Developer Expenses or to the extent that any recapture payments are received pursuant to Section 10.K of this Agreement with respect to any of the Public Improvements. To the extent that there are outstanding Bonds, any recapture payments shall be deposited into the Account (as defined in Section 14.E of this Agreement), notwithstanding any contrary provision in any recapture agreement entered into pursuant to Section 10.K of this Agreement. To the extent that the Developer has already been or will be reimbursed for Developer Expenses through the TIF Note, Bonds, or recapture payments in an amount equal to or exceeding the TIF Funding Cap, then the Village shall retain such portion of the recapture amount that would cause the Developer to receive more than the TIF Funding Cap, notwithstanding any contrary provision in any recapture agreement entered into pursuant to Section 10.K of this Agreement; and

3. The Developer Expenses for which reimbursement will be provided relate to Public Improvements and particularly right-of-way improvements along Aptakisic Road and Illinois Route 83, including without limitation pavement, curbing, required utility line relocations, signalization improvements, storm water management improvements, and required landscaping.

The TIF Note shall:

- i. evidence the Village's obligation to reimburse DEVELOPER for the Developer Expenses, subject to and in accordance with this Agreement. The actual amount due and owing under the TIF Note at any time will be reflective of the Developer Expenses that have been identified as Certified Costs pursuant to Section 14I. Upon Developer Expenses becoming Certified Costs, the amount of such Certified Costs shall become the principal amount of the TIF Note, unless paid by the Village within 14 days after the adoption of a Certification Resolution as provided in Section 14I;
- ii. bear interest at the rate of nine percent (9%) per annum, which interest shall not be tax-exempt and which shall accrue semi-annually beginning on the Closing Date;
- iii. have a maximum term of twenty (20) years following the Closing Date, after which time the Village shall have no further obligation to reimburse the Developer for Developer Expenses under this Agreement or the TIF Note;
- iv. be secured only by the Pledged Amount, as provided in this Agreement;
- v. except for any Bonds issued pursuant to Section 14.D (to which the TIF Note shall be subordinate), shall have a first lien on the Pledged Amount; provided that the TIF Note shall also be subordinate to the payments due under the Economic Incentive Agreement between the Village and Sunset Foods, Inc. (as more fully described in Section 14.D.1) with respect to the Pledged Amounts described in Section 14.E.1 and 14.E.2;
- vi. provide for payment of principal and accrued interest within 30 days after any Developer Expenses have become Certified Costs, but only to the extent that there are moneys available from the Pledged Amount in the Account that are not needed to meet annual obligations of the Bonds or as otherwise provided in the Bond Ordinance and documents arising from the Bond Ordinance. Such payments shall cease upon (a) the payment of the TIF Note in full, or (b) the termination of the Village's obligation

- to reimburse the Developer for Developer Expenses as described in clause (iii);
- vii. provide that each payment shall be applied first to accrued but unpaid interest, second to current interest, and third to principal;
 - viii. provide that the Village may prepay the TIF Note without the Developer's consent;
 - ix. be transferable or assignable only (a) as a collateral assignment to an accredited investor, as defined in Rule 501 of Regulation D of the Federal Securities Act of 1933, or a bank, as defined in Section 3(a)(2) of the Federal Securities Act of 1933; (b) to an entity wholly owned and controlled by the owners of the Developer; (c) to an entity in which the majority equity interest is owned by the owners of the Developer; or (d) if otherwise approved by the Corporate Authorities in their sole discretion;
 - x. be cancelled upon the sale of Bonds sufficient to generate Net Proceeds of \$3,000,000.00 or the remaining maximum amount of the TIF Note and payment of any outstanding amounts due under the TIF Note; and
 - xi. provide that the first \$300,000.00 that the Developer receives from the TIF Note shall be paid to Sunset Foods as provided in Paragraph 14.D.1 of this Agreement, but such \$300,000.00 if paid to Sunset Foods shall not be counted as part of the \$3,000,000.00 in Net Proceeds that Developer is to receive.

The form of the TIF Note attached as Exhibit H, to the extent inconsistent with this Section 14.B, shall be modified to conform to the terms of this Section 14.B.

O. Amendment to Subsection 14.D. The opening paragraph, Subparagraph 1, and Subparagraph 4 of Subsection D, entitled "Issuance of Bonds," of Section 14, entitled "TIF Financing," of the Agreement shall be amended in their entirety, so that said opening paragraph and Subparagraphs 1 and 4 of Subsection 14.D shall hereafter be and read as follows:

D. Issuance of Bonds. As soon as practicable after the satisfaction of all of the pre-conditions to the TIF Closing set forth in Section 14C, the Village shall reasonably endeavor to issue TIF revenue bonds in one or more bond issuances in its name sufficient to generate Net Proceeds of up to \$3,000,000.00 ("Bonds"). The Bonds shall be subject to the following provisions:

- 1. The Net Proceeds will be used by the Village to pay for the eligible Developer Expenses in accordance with this Agreement. The Bond Proceeds will be held in an escrow for the benefit of the Developer ("Escrowee"), subject to payment procedures to be mutually approved by the Developer and by resolution of the

Village's Corporate Authorities. The Net Proceeds will be used to reimburse the Developer for Developer Expenses incurred, but such reimbursement shall only be made within 30 days after any Developer Expenses have become Certified Costs. Notwithstanding the foregoing, the Village may deliver a portion of the Net Proceeds to another governmental agency to serve as performance security for obligations to be undertaken by the Developer pursuant to this Agreement, subject to terms mutually acceptable to the Village and Developer. In addition, notwithstanding any other provision in this Section 14, the Developer agrees, if so requested by the Village, to assign the first \$300,000.00 paid from the Net Proceeds to Sunset Foods, Inc. in accordance with that certain "Economic Incentive Agreement" between the Village and Sunset Foods, Inc. dated 25 March 2008 (as such Economic Incentive Agreement may be amended or restated in accordance with the approvals of the Village's Corporate Authorities on July 27, 2010), which assignment may be in the form of the advancement of payment of Certified Costs to become due to the Developer.

- * * *
4. The Net Proceeds shall be deposited, held, invested, reinvested, and disbursed as provided in the Bond Ordinance. The Developer understands and agrees that the Village alone shall deliver to any Escrowee or trustee a direction as to the investment of funds on deposit in the funds and accounts established by or pursuant to the Bond Ordinance.

* * *

P. Amendment to Subsection 14.E. Subsection E, entitled "Deposit of Pledged Amount in Account," of Section 14, entitled "TIF Financing," of the Agreement shall be amended in its entirety, so that said Subsection 14.E shall hereafter be and read as follows:

E. Pledged Amount. The Village shall establish a special tax allocation fund pursuant to the requirements of the TIF Act ("Fund"). The Village shall deposit into an account (the "Account") of the Fund the Incremental Property Taxes within 90 days after receipt thereof by the Village.

The following additional amounts are collectively referred to as the "Secondary Collateral," and shall be deposited in certain funds as set forth in Section 4.2 of that certain Trust Indenture dated September 1, 2010, between the Village of Long Grove and Amalgamated Bank of Chicago, as Trustee (the "Trust Indenture"):

1. 60% of the Sales Tax Revenue that is generated by businesses on the Property, except the amount attributable to the Grocery Store to be developed and operated on the Grocery Store Lot on the Property;
2. 100% of the first \$1,000,000.00 in Sales Tax Revenues

attributable to the Grocery Store on the Grocery Store Lot on the Property, and thereafter 60% of the Sales Tax Revenues attributable to such Grocery Store;

3. 60% of the amount of taxes imposed and collected on behalf of the Village under 65 ILCS 5/8-11-1.2 through 65 ILCS 5/8-11-1.5 from businesses on the Property (the "**Local Sales Tax Revenue**"); and
4. 60% of the taxes imposed and collected on behalf of the Village under 65 ILCS 5/11-74.3-6 from businesses on the Property (the "**Business District Sales Tax Revenue**").

The Incremental Property Taxes and Secondary Collateral shall be collectively referred to as the "**Pledged Amount**". The Pledged Amount shall be irrevocably pledged to the payment of any principal and interest due on the Bonds and the amounts due under the TIF Note, as provided herein. The Pledged Amount shall not be reduced except for payments of principal and interest on the Bonds or the TIF Note, until the TIF Note and Bonds are fully satisfied (unless otherwise provided in the Bond Ordinance or Trust Indenture). The entire Pledged Amount in the Account on February 1 of each year (or such other payment date as may be set forth in the Bond Ordinance or Trust Indenture) shall be used to pay principal and interest first on the Bonds and second on the TIF Note, as provided herein. The Parties agree that nothing in this Agreement would preclude the Bond Ordinance from authorizing the release of moneys to the Village from time-to-time up to the amount of the Secondary Collateral in the event that (i) the Bonds include a coverage requirement, (ii) the Account contains moneys in excess of the debt service due on, and coverage required for, the Bonds in any year during the term of the Bonds, and (iii) amounts due and payable under the TIF Note, as such amounts may exist from time-to-time, have been fully satisfied. In addition, any funds contained in the Account after fully satisfying the obligations of the Bond and the TIF Note up to the amount of Secondary Collateral moneys deposited in the Account shall be transferred to the Village's General Fund and may be used by the Village for any lawful purpose, subject to any limitations otherwise imposed by law on the Secondary Collateral. After any transfers pursuant to the immediately preceding sentence, any funds contained in the Account after meeting the obligations of the Bond and the TIF Note may be transferred to any other account in the Fund and thereafter be used by the Village for any lawful purpose permitted under the TIF Act (including, but not limited to, calculation and distribution of "surplus" in accordance with Sections 11-74.4-7 and 11-74.4-8a of the TIF Act). Because the Fund is a special fund, the amounts deposited in the Account shall be disbursed in accordance with this Agreement, the TIF Approval Ordinances, and the TIF Note without further action by the Corporate Authorities.

Q. Amendment to Subsection 14.G. Subsection G, entitled "Submissions of Certification Requests," of Section 14, entitled "TIF Financing," of the Agreement shall be amended in its entirety, so that said opening paragraph of Subsection 14.G shall hereafter be and read as follows:

G. Submission of Certification Requests. For reimbursement of Developer Expenses in accordance with the TIF Note or from the Net Proceeds, the Developer shall submit to the Village a written request for certification of such Developer Expenses in the form attached as **Exhibit I** to this Agreement ("**Certification Request**"). Unless alternative procedures are approved by the Developer and by resolution of the Corporate Authorities, the Developer may submit monthly Certification Requests, except that the Developer may not submit a Certification Request more than six (6) months after the last Developer Expenses have been paid by Developer. Each Certification Request shall be accompanied by (i) sworn statements and lien waivers for any material, fixtures, apparatus, machinery, services, or labor provided by any contractor, subcontractor, or other person or entity entitled to file a lien under the Mechanics Lien Act, 770 ILCS 60/1, included in the Developer Expenses for which reimbursement is sought; (ii) bills, contracts, and invoices relative to the Developer Expenses; and (iii) other documents or information that the Village shall reasonably require to evidence appropriate payment of Developer Expenses. To facilitate the certification of the Developer Expenses (including their certification as proper Redevelopment Project Costs) as provided herein, the Developer shall (iv) require its contractors, suppliers, and others with whom it enters into contracts for Developer Expenses to submit pay requests, invoices, and bills that include only amounts that are included with the Developer Expenses and qualify as Redevelopment Project Costs; and (v) take such other actions as are reasonably necessary or desirable to identify Developer Expenses separately from other costs. If the Developer does not fulfill its obligations as set forth in the preceding sentence, the Village shall have no obligation to certify, or reimburse the Developer for, Developer Expenses that have not been separately identified as required herein. To the extent that Developer Expenses have been certified and Net Proceeds are available, at Developer's request, disbursements may be made directly to Developer's contractors.

R. Amendment to Subsection 15.A. Subsection A, entitled "Performance and Payment Letter of Credit," of Section 15, entitled "Performance Security," of the Agreement shall be amended in its entirety, so that said Subsection 15.A shall hereafter be and read as follows:

SECTION 15. PERFORMANCE SECURITY.

A. Performance and Payment Letter of Credit. As security to the Village for the performance by Developer of Developer's obligations to construct and complete the Public Improvements and Private Improvements included as part of the Primary Phase Work pursuant to and in accordance with this Agreement, the Developer hereby irrevocably elects, on behalf of itself and its successors, to provide performance and payment security for the Public and Private Improvements in the form of one or more letters of credit ("**Performance and Payment Letter of Credit**"). The amount of the Performance and Payment Letter of Credit shall be equal to 110% of the estimate of the costs of construction and completion of the Public and Private Improvements as determined by the Village Engineer ("**Approved Cost Estimate**"). The amount of the Performance and Payment Letter of Credit will be reduced by:

1. 110% of the amount of the Net Proceeds upon the issuance of any Bonds pursuant to Section 14 of this Agreement (less any

amount of the Net Proceeds assigned to Sunset Foods, Inc. pursuant to Subsection 14.D.1 of this Agreement); and

2. the actual amount of security (either in the form of a letter of credit or bond, but not including any Net Proceeds) delivered to another governmental entity in connection with any Public Improvement to be dedicated to such governmental entity.

In lieu of the Developer's requirement to provide the Performance and Payment Letter of Credit, the Developer may provide dedicated funds for the construction of all required Public and Private Improvements for the Primary Phase Work in accordance with the requirements of 30 ILCS 550 (a "**Construction Escrow**"), provided that such Construction Escrow is regulated by documentation reasonably acceptable to the Village Attorney to demonstrate compliance with the requirement of 30 ILCS 550. In the event that the Village accepts a Performance and Payment Letter of Credit as replacement for the Construction Escrow, such Letter of Credit will be administered and reduced as set forth in this Agreement. The amount to be deposited in the Construction Escrow must include funds for ensuring completion of all Public and Private Improvements, including trees and landscaping within public right-of-way. Any such Construction Escrow will be subject to the other terms and provisions of this Section 15, except as otherwise provided in the documentation approved in writing by the Village Attorney.

S. Amendment to Subsection 15.I. Subsection I, entitled "Village Lien Rights," of Section 15, entitled "Performance Security," of the Agreement shall be amended in its entirety, so that said Subsection 15.I shall hereafter be and read as follows:

I. Village Lien Rights. If any money, property, or other consideration due from the Developer to the Village pursuant to this Agreement is not either recovered from the letter of credit required in this Section 15 or paid or conveyed to the Village by the Developer within 30 days after a demand for payment or conveyance (including any of the Deferred Amounts that may be due and owing under this Agreement), then the money, or the Village's reasonable estimate of the value of the property or other consideration, together with interest and costs of collection, including legal fees and administrative expenses, shall become a lien upon all portions of the Property in which the Developer retains any legal, equitable, or contractual interest, and the Village shall have the right to collect the amount or value, with interest and costs, including legal fees and administrative expenses, and the right to enforce the lien in the same manner as in statutory mortgage foreclosure proceedings. In the event, but only in the event, of a sale or transfer of the Property pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure, such lien shall be subordinate to any first mortgage whether now or hereafter placed upon the Property. Any other sale or transfer shall not relieve the Property from liability for any charges hereafter becoming due, nor from the lien of any charge, except as otherwise provided by law.

T. Amendment to Subsections 16.B and 16.C. Subsection B, entitled "Village Procedure; Cooperation in Undertaking Corrective Action," and Subsection C, entitled "Indemnity," of Section 16, entitled "Liability and Indemnity of Village," of the Agreement shall be

amended in its entirety, so that said Subsections 16.B and 16.C shall hereafter be and read as follows:

B. Village Procedure; Cooperation in Undertaking Corrective Action.

The Parties acknowledge and agree that, to the best of their knowledge and understandings, all notices, meetings, and hearings have been properly given and held by the Village with respect to the approval of this Agreement, and Parties agree not to challenge such approval on the grounds of any procedural infirmity or of any denial of any procedural right. In addition, the Developer, on behalf of itself and its successors, waives and releases any and all claims it may have regarding: (i) the Village's review and approval of this Agreement or any plans for the Property, the Project, the Property Improvements, the TIF District, or the Business District; (ii) the issuance to the Developer or any Assigned Builder of any approval, permit, certificate, or acceptance for the Property, the Project, or the Property Improvements; (iii) the establishment of the Water SSA or any taxes levied pursuant to the Water SSA; (iv) the establishment of any Business District or any taxes imposed in connection with any such Business District; and (v) amounts of third-party expenses that the Village pays in connection with the development that are reimbursable from the Developer. In the event any challenge is asserted with respect to any procedural or substantive infirmity or of any denial of any procedural right with respect to any review, approval, permit, certificate, or acceptance for the Property, the Project, or the Property Improvements, the Parties agree to cooperate with each other in any manner reasonable necessary or appropriate to take corrective action to address any asserted infirmity or denial or procedural right.

C. Indemnity. The Developer agrees to, and does hereby, hold harmless and indemnify the Village, the Corporate Authorities, and all Village elected or appointed officials, officers, employees, agents, representatives, engineers, and attorneys, from any and all claims that may be asserted at any time against any of such parties in connection with:

- (i) the Developer's development, construction, maintenance, or use of any portion of the Property, the Project, or the Property Improvements;
- (ii) the performance by the Developer of its obligations under this Agreement, except as may be caused by the Village's gross negligence or willful misconduct;
- (iii) any action by Michael Firsel, Adam Firsel, David Bossy, Mid-America Development Partners, Mid-America Development Partners LLC, Mid-America Development Partners II LLC, Mid-America Management Corporation, or persons who have or have had an interest in Sunset Grove LLC, Sunset Grove Development Corporation or Sunset Grove Pinnacle Development Corporation since the Effective Date of this Agreement (the "**Potential Claimants**") relating to or arising from matters associated with the Property, its development, or matters addressed in this Agreement. The Potential Claimants do not include Sunset Grove LLC or Sunset Grove Pinnacle Development Corporation.

As of the effective date of the First Amendment to this Agreement, the Village has no knowledge of any claims it may have against any Potential Claimants that are not otherwise addressed in this Agreement.

U. Amendment to Section 17. Section 17, entitled "Nature, Survival, and Transfer of Obligations," of the Agreement shall be amended by adding a new Subsection D, which new Subsection 17.D shall hereafter be and read as follows:

C. Pre-Approved Assignments. The Village agrees that, subject to the terms of this Section 17, it will consent to the assignment by the Developer to a new corporation and/or limited liability company owned or controlled by Jay Levin, of any rights under this Agreement, as well as any other agreement with or ordinance of the Village to which Developer is a party or affected property owner.

V. Amendment to Subsection 23.A. The third paragraph of Subsection A, entitled "Notice," of Section 23, entitled "General Provisions," of the Agreement shall be amended in its entirety, so that the third paragraph of Subsection 23.A shall hereafter be and read as follows:

Notices and communications to the Developer shall be addressed to, and delivered at, the following address:

c/o Pinnacle Capital
1175 Corporate Woods Pkwy, Suite 280
Vernon Hills, IL 60061
Attention: Jay Levin

With a copy to:

John Mays, Esquire
Gould & Ratner
222 N. LaSalle Street, Suite 800
Chicago, Illinois 60601

SECTION THREE. ADDITIONAL REQUIREMENTS OF THE FIRST AMENDMENT.

A. Recordation of Exhibit L. The Developer shall execute and record Exhibit L to the Agreement, and deliver a copy of the recorded Exhibit L to the Village, within 30 days after the effective date of this First Amendment.

B. Compliance with Approved Primary Phase Schedule. The Developer shall substantially comply with the Approved Primary Phase Schedule, and in any event the Primary Phase Work to be undertaken by Developer shall proceed in a timely and prompt manner to permit (and not to delay in any material way) the construction of the Grocery Store on the Grocery Store Lot to proceed so that the Grocery Store may be completed and ready for occupancy no later than January 15, 2011.

C. Consequences of Non-Compliance. In the event that the Developer fails to comply with the requirements of Subsections A and B of this Section Three, the amendments to the Agreement as set forth in Subsections B through R and U of Section Two of this First Amendment shall be null and void; provided, however, that the Corporate Authorities of the Village may extend the time for Developer compliance by resolution and without further amendment to this Agreement.

D. Amendment to Declaration of Covenants. The Parties acknowledges that the Developer has recorded a declaration of covenants against the Property, but such declaration requires further amendment to satisfy the requirements of Section 8 of the Agreement. Notwithstanding the requirement in Section 8 that the PUD Ordinance and Final Subdivision Plat are not to be recorded until an acceptable declaration of covenants has been recorded, the Parties agree that the recordation of an amended declaration of covenants (or an amendment to the declaration previously recorded) shall be effected before a final certificate of occupancy is issued for any principal building on the Property.

SECTION FOUR. OPTION TO PURCHASE ARCHER LOTS. The Village will make available for purchase the four Archer Lots, and the Developer will have the opportunity to purchase any or all of the Archer Lots pursuant to the terms of this Section Four:

A. Price. The Developer may purchase any or all of the Archer Lots for the Minimum Price per lot, unless a higher bid is received or a higher minimum price is set by the Village following the sale process referenced below.

B. Sale Process. The Village will follow statutory procedures for making the Archer Lots available for purchase. The Developer shall have the same opportunity to acquire any one or more of the Archer Lots as any other person in connection with such sales process. If the Village sets a minimum price for any Archer Lot higher than the Minimum Price set forth in Subsection 2.K of this First Amendment, irrespective of whether such sales process results in a sale of that Archer Lot, it shall be deemed a sale to a person unrelated to the Developer for the purposes of Subparagraph 12.D.iv.d of the Agreement (as amended by Subsection 2.K of this First Amendment) as of the date that bids are due pursuant to such sales process.

C. Right of First Refusal. In the event that a person unrelated to the Developer submits the highest responsive bid for any Archer Lot, the Village shall provide the Developer with a right of first refusal to purchase any such lot, provided that: (i) the right of first refusal is exercised in writing within 15 days after the Village notifies Developer; and (ii) in exercising the right of first refusal, the Developer must accept all material terms of the successful bid, except that in no event may Developer exercise such right for a purchase price less than the Minimum Price.

D. Marketing. Subject to the terms of this Section Four, the Developer shall have the right to market any or all of the Archer Lots for sale or lease.

E. Application of Unreimbursed Developer Expenses. To the extent that (i) there are Certified Costs for Developer Expenses under Section 14 of the Agreement, as amended by this First Amendment, that have not been reimbursed, or (ii) there is a TIF Note balance that has not been paid, the Developer may apply the amount of unreimbursed Developer Expenses, any unpaid TIF Note balance, or both as a credit against the purchase price due for any of the Archer Lots.

F. Failure to Subdivide or Make Available for Purchase. If the Village has not subdivided all of the Archer Lots and made such lots available for purchase on or before December 31, 2011, all four Archer Lots shall be deemed sold for the Minimum Price to a person unrelated to Developer for purposes of Subparagraph 12.D.iv.d of the Agreement (as amended by Subsection 2.K of this First Amendment).

SECTION FIVE. AMENDMENT TO FINAL PUD PLAN. Upon request of the Developer, the Village will undertake all steps required to properly consider the modification of the plat of subdivision of Lot 1 of the Property into two parcels to allow for a free standing two-story Bank building with basement of approximately 3800 square feet per floor with three drive-thru lanes on the northwest corner of Lot 1 and eliminating the site previously known as the Fifth Third Bank location that being the most southern portion of Building B. Any such modification shall be subject to all standard Village land use reviews, including review and approval of the exterior elevations relating to such modifications. The locations, separations, and setbacks of buildings on the two parcels shall be as approved in connection with any amendment to the PUD Plan, notwithstanding generally applicable regulations regarding such building location, separation, and setback requirements. Without prejudicing the Village's discretion in considering any such modification request, the Corporate Authorities of the Village acknowledge that the modification concept described in this Section Five is not inconsistent with the development of the Property and, subject to review of the details of any such modification request, may be worthy of approval.

SECTION SIX. GENERAL PROVISIONS OF THE FIRST AMENDMENT.

- A. Effective Date of First Amendment. This First Amendment shall be deemed effective as of the date that it is executed by the duly authorized representatives of the Parties.
- B. Entire Agreement; Supersedence. The Agreement, as modified by this First Amendment, constitutes the entire agreement between the Parties, and the provisions of this First Amendment supersede any and all prior agreements and all contrary provisions in the Agreement. In addition, this First Amendment supersedes and makes null and void the terms of the march 2009 Letter and the October 2009 Letter, as well as any negotiations between the Parties, whether written or oral, relating to the subject matter of the Agreement or this First Amendment.
- C. Release from Water System Obligations. Subject to the terms and conditions of this First Amendment, the Village releases the Developer from the conditions in Sections 3.CC and 5.3 of Ordinance No. 2008-O-27 relating to the Deep Well water System.
- D. Exhibits. Exhibits AM-1 through AM-4 attached to this First Amendment are, by this reference, incorporated in and made a part of this Agreement. In the event of a conflict between an exhibit and the text of this First Amendment, the text of this First Amendment shall control.
- E. Recordation. The Village shall cause this First Amendment to be recorded against the Property following its effective date.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to affix their signatures on this First Amendment to signify the Parties' acceptance of the terms hereof.

ATTEST:

Karen Shapiro
Village Clerk

VILLAGE OF LONG GROVE

By: *Maria Rodriguez*
President

~~SUNSET GROVE PINNACLE
DEVELOPMENT CORPORATION
(SUCCESSOR TO SUNSET GROVE
DEVELOPMENT CORP.),~~ ^{BU}

By: _____

Its: _____

SUNSET GROVE L.L.C.

By: _____

Its: _____

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to affix their signatures on this First Amendment to signify the Parties' acceptance of the terms hereof.

ATTEST:

VILLAGE OF LONG GROVE

Village Clerk

By: _____
President

SUNSET GROVE, LLC

By: _____

Its: _____

Jay Kernus

Manager

9013820_v7

LIST OF EXHIBITS TO FIRST AMENDMENT

- Exhibit AM-1:** Approved Primary Phase Schedule
- Exhibit AM-2:** Legal Description of Real Property Including Well Site
- Exhibit AM-3:** Summary of Past Due Amounts
- Exhibit AM-4:** Plan of the Archer Lots

EXHIBIT AM-1
APPROVED PRIMARY PHASE SCHEDULE

This Approved Primary Phase Schedule is subject to adjustment at the direction of the Village Engineer

EXHIBIT AM-1
APPROVED PRIMARY PHASE SCHEDULE

This Approved Primary Phase Schedule is subject to adjustment at the direction of the Village Engineer

ID	Task Name	Start	Finish	November 2009	December 2009	January 2010				
				11/1/09	11/15/09	11/29/09	12/13/09	12/27/09	1/10/10	1/24/10
6	Village Development permit	Tue 4/15/08	Wed 11/5/08							
1	LCSMC permit	Mon 5/12/08	Mon 5/12/08							
2	NFOS permit	Mon 5/12/08	Mon 5/12/08							
3	IEPA permit-Sanitary	Tue 10/28/08	Tue 10/28/08							
5	Construction Loan Approval	Tue 2/3/09	Mon 10/26/09							
9	Village Water System engr.	Wed 4/1/09	Mon 1/4/10							
4	Village Bd Approval - Sunset Proposal	Tue 6/2/09	Tue 10/13/09							
7	Avalakic Rd final engineering	Thu 10/29/09	Wed 11/18/09							
8	ILRI 83 construction drawings	Thu 10/29/09	Mon 12/7/09							
10	Village RDA surety posting	Fri 10/30/09	Fri 11/6/09							
26	Building E architectural drawings	Fri 10/30/09	Thu 12/10/09							
30	CVS Architectural drawings	Fri 10/30/09	Mon 12/7/09							
12	Earthwork-Brewer pond	Mon 11/2/09	Wed 11/4/09							
14	Pre-Con with Village	Mon 11/2/09	Mon 11/2/09							
11	Onsite engineering revisions	Mon 12/28/09	Fri 1/1/10							
13	Earthwork-Pads to subgrade	Mon 11/9/09	Tue 12/8/09							
20	ComEd Work Agreements	Tue 11/10/09	Thu 4/8/10							
15	Sanitary Sewer Onsite	Wed 11/11/09	Fri 12/18/09							
27	Gravity retaining wall	Wed 11/11/09	Tue 5/11/10							
24	LCHD Avalakic Rd construct permit	Thu 11/19/09	Wed 9/28/10							
17	Storm Sewer	Mon 11/16/09	Wed 4/28/10							
18	LC Health Permit-Water	Thu 1/7/10	Wed 12/7/10							
19	Water Main Onsite	Mon 11/23/09	Tue 1/26/10							
23	Let stat forcemain improvements	Mon 12/21/09	Mon 9/27/10							
25	0007 RL 83 construction permit	Thu 12/3/09	Thu 9/23/10							
16	Sanitary sewer lining	Wed 12/23/10	Tue 10/6/10							
34	8kg B - flag permit	Fri 12/11/09	Wed 12/16/09							
37	CVS - flag permit	Tue 12/22/09	Mon 3/22/10							
21	Water Main estig	Mon 10/1/10	Fri 10/9/10							
22	Utility site stpe	Thu 8/13/10	Fri 8/13/10							
33	Setel code building construction	Thu 4/1/10	Wed 12/1/10							
28	ComEd public education	Mon 5/17/10	Fri 9/24/10							

SUNSET GROVE SHOPPING CENTER

Date: Wed 9/23/10

Task: **Spk**

Program: **Program**

Milestones: **Summary**

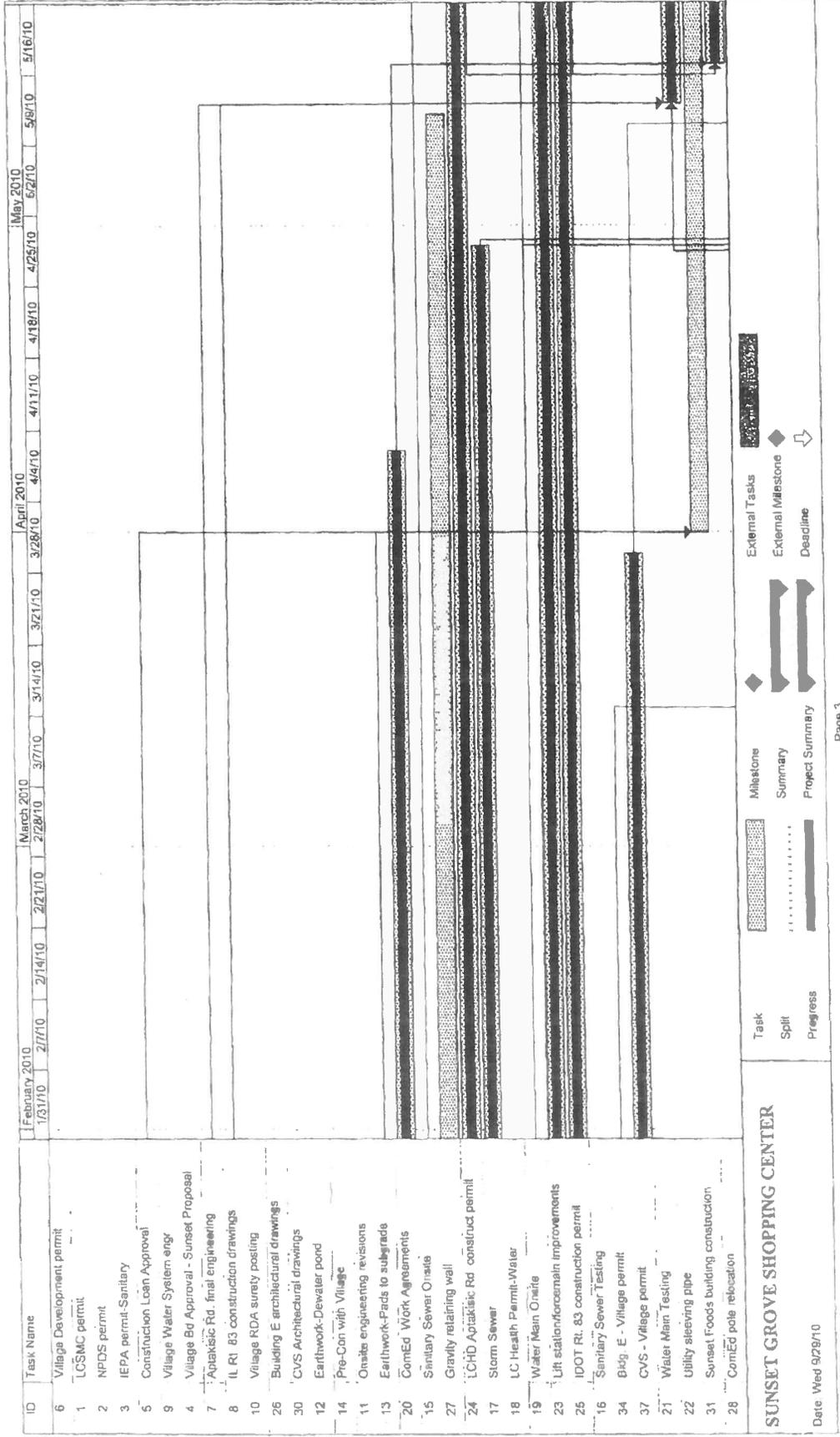
Project Summary: **Project Summary**

External Tasks: **External Tasks**

Summary Milestones: **Summary Milestones**

Details: **Details**

Page: 1



SUNSET GROVE SHOPPING CENTER

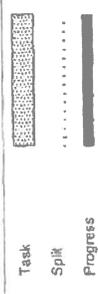
Date Wed 5/29/10

Task
Split
Progress

Milestone
Summary
Project Summary

External Task
External Milestone
Deadline

ID	Task Name	February 2010			March 2010			April 2010			May 2010						
		1/31/10	2/27/10	2/14/10	2/21/10	2/28/10	3/7/10	3/14/10	3/21/10	3/28/10	4/4/10	4/11/10	4/18/10	4/25/10	5/2/10	5/9/10	5/16/10
35	Bldg E - Shell construction																
38	CVS - Shell construction																
29	Earthwork - Parking lot subgrade																
42	Electrical/Phone/Cable Utilities																
33	Asphaltic Roadway construction																
32	Rt 63 Roadway construction																
36	Bldg E - Finish out																
39	CVS - Finish out																
40	Site Lighting																
41	Concrete sidewalks																
44	Parking Lot Paving																
43	Topsóil respread																
45	Signage																
46	Landscaping																



SUNSET GROVE SHOPPING CENTER

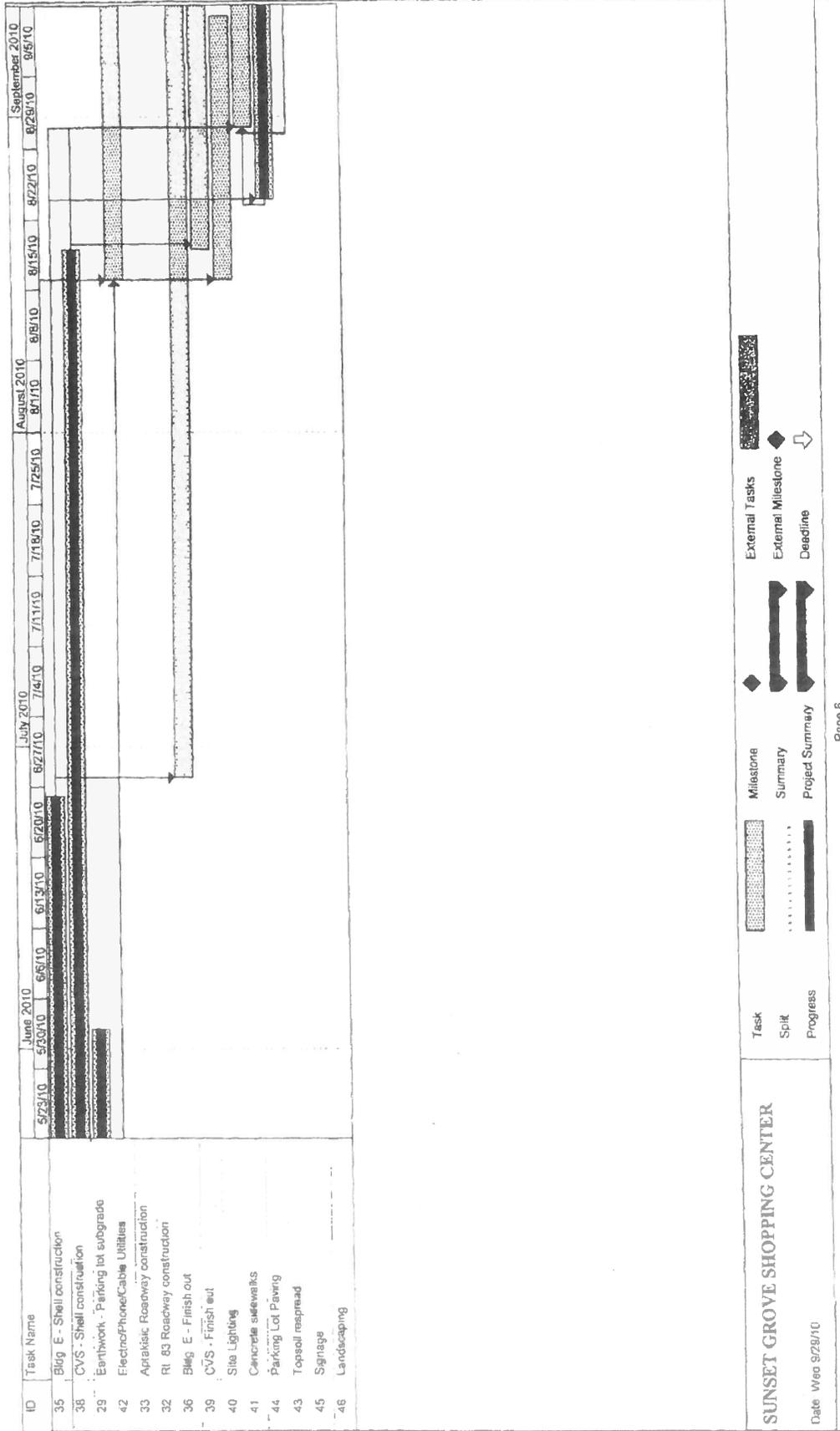
Date: Wed 9/29/10

ID	Task Name	June 2010			July 2010			August 2010			September 2010						
		5/29/10	5/30/10	6/6/10	6/13/10	6/20/10	6/27/10	7/4/10	7/11/10	7/18/10	7/25/10	8/1/10	8/8/10	8/15/10	8/22/10	8/29/10	9/5/10
6	Village Development permit																
1	LCSMC permit																
2	NPDS permit																
3	IEPA permit-Sanitary																
5	Construction Loan Approval																
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15	Sanitary Sewer Onsite																
27	Gravity retaining wall																
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17	Storm Sewer																
18	LC Health Permit-Water																
19	Water Main Onsite																
23	Lift station/force main improvements																
25	DOT Rt 83 construction permit																
16	Sanitary Sewer Testing																
34	Bldg E - Village permit																
37	CVS - Village permit																
21	Water Main Testing																
22	Utility sleeving pipe																
31	Sunset Foods building construction																
28	ComEd pole relocation																

SUNSET GROVE SHOPPING CENTER

Date Wed 9/29/10

Page 5



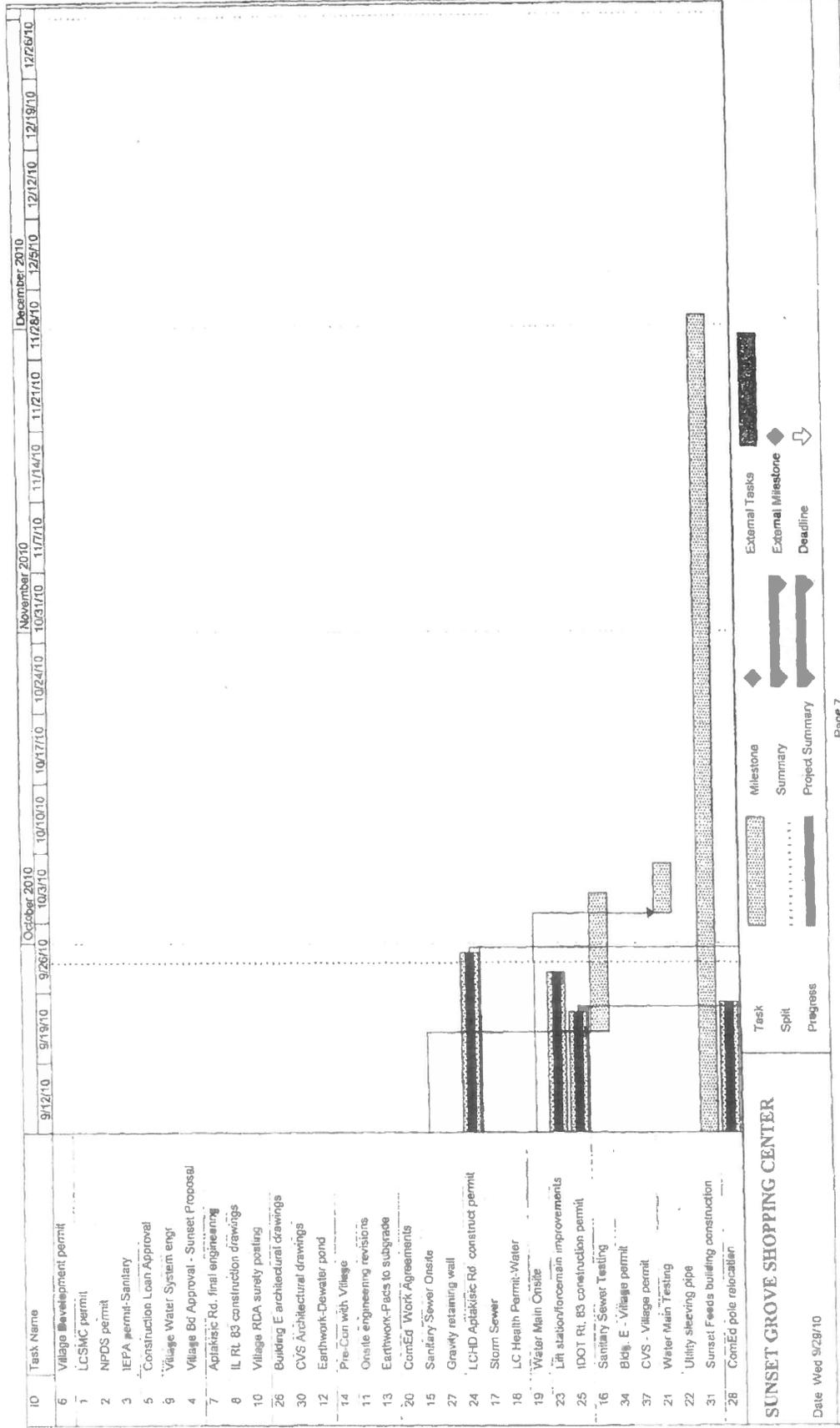
SUNSET GROVE SHOPPING CENTER

Date: Wed 9/29/10

Task
Split
Progress

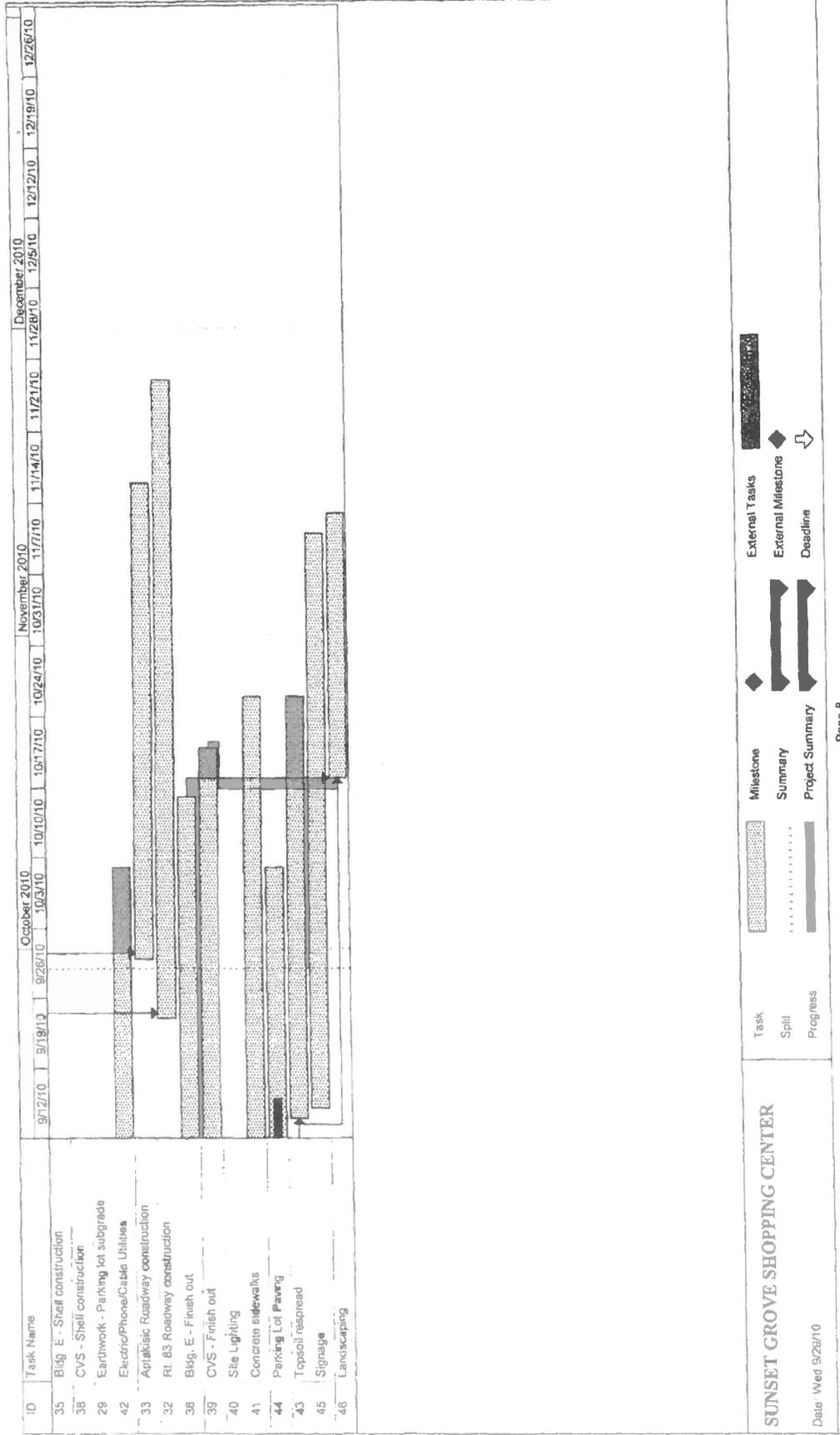
Milestone
Summary
Project Summary

External Tasks
External Milestone
Deadline



SUNSET GROVE SHOPPING CENTER

Date Wed 9/29/10



SUNSET GROVE SHOPPING CENTER

Date: Wed 9/28/10

Task
 Split
 Progress

Milestone
 Summary
 Project Summary

External Tasks
 External Milestone
 Deadline

EXHIBIT AM-2

LEGAL DESCRIPTION OF REAL PROPERTY INCLUDING WELL SITE

PARCEL 1:

THE NORTH 5 ACRES OF THE WEST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THAT PART TAKEN FOR ROAD PURPOSES IN CASE NUMBER 91 ED 44) IN LAKE COUNTY, ILLINOIS.

PARCEL 2:

THE SOUTH 389.18 FEET OF THE NORTH 718.31 FEET (AS MEASURED ON THE EAST AND WEST LINES THEREOF) OF THE NORTH HALF OF THE WEST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EAST LINE OF ROUTE 83 (EXCEPT THAT PART TAKEN FOR ROAD PURPOSES IN CASE NUMBER 91 ED 43) IN LAKE COUNTY, ILLINOIS.

PARCEL 3:

THE SOUTH 389.17 FEET OF THE NORTH 1107.48 FEET (AS MEASURED ON THE EAST AND WEST LINES THEREOF) OF THAT PART OF THE NORTH HALF OF THE WEST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EAST LINE OF ROUTE 83 (EXCEPT THAT PART TAKEN FOR ROAD PURPOSES IN CASE NUMBER 91 ED 42) IN LAKE COUNTY, ILLINOIS.

PARCEL 4:

THE WEST 2 1/2 ACRES OF THE NORTH 5 ACRES OF THE EAST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

P.I.N. Numbers:

15-30-200-002
15-30-200-030
15-30-200-031
15-30-200-032

EXHIBIT AM-3
SUMMARY OF PAST DUE AMOUNTS

Statement

VILLAGE OF LONG GROVE
 3110 RFD
 LONG GROVE, IL 60047-9635
 (847)634-9440

Date
8/31/2010

To:
 Lakewood Real Estate Solutions
 Jack Shum
 2700 W. Higgins Road Suite 100
 Hoffman Estates, IL 60169
 Re: Sunset Grove

Customer E-mail
 JACK@lakewoodhomes.net

		Amount Due	Amount Enc.					
		\$296,677.76						
Date	Transaction	Amount	Balance					
07/31/2010	Balance forward		277,225.76					
08/31/2010	INV #1727.	19,452.00	296,677.76					
	=== Reimb Group							
	-- ESI July \$372.00							
	-- ESI July \$14,680.50							
	-- Holland & Knight July \$4,399.50							
	=== Total Reimbursable Expenses \$19,452.00							
<p>PLEASE NOTE This statement reflects activity posted to your account through the statement date only. The amount to be remitted is a combination of the statement "Amount Due" and your required escrow as detailed below.</p>								
<table border="1" style="width: 100%;"> <tr> <td>STATEMENT "AMOUNT DUE" \$ 296,677.76</td> </tr> <tr> <td>REQUIRED ESCROW \$ 10,000.00</td> </tr> <tr> <td style="text-align: center;">-----</td> </tr> <tr> <td>TOTAL PAYMENT DUE \$ 306,677.76</td> </tr> <tr> <td>Please remit the "Total Payment Due" to the Village of Long Grove.</td> </tr> </table>				STATEMENT "AMOUNT DUE" \$ 296,677.76	REQUIRED ESCROW \$ 10,000.00	-----	TOTAL PAYMENT DUE \$ 306,677.76	Please remit the "Total Payment Due" to the Village of Long Grove.
STATEMENT "AMOUNT DUE" \$ 296,677.76								
REQUIRED ESCROW \$ 10,000.00								

TOTAL PAYMENT DUE \$ 306,677.76								
Please remit the "Total Payment Due" to the Village of Long Grove.								
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due			
19,452.00	0.00	26,515.56	17,623.00	233,087.20	\$296,677.76			

If you did not receive this statement via E-Mail, please provide us with your email address for future statements. Send E-Mail updates to general@seidler1td.com.

Long Grove, Village of

Invoice number 10398
Date 08/09/2010

Project Manager: Brian B. Witkowski
Project: 04-026-018 Village of Long Grove Engineer Services

04-026-018 Village of Long Grove Engineer Services

Phase: 072a
6 Sunset Grove construction observation/inspection
Review Services

	Date	Units	Rate	Amount
<u>Labor</u>				
Project Manager				
Kevin Siksta				
Construction	07/02/2010	3.00	124.00	372.00
<i>Site visit with Will Colletti to show how to inspect Sunset Groves and Water Treatment Plant.</i>				
		Subtotal	3.00	372.00
		Labor Total	3.00	372.00

Phase: 072ORD
6 Sunset Grove Development
Review Services

	Date	Units	Rate	Amount
<u>Labor</u>				
President / Principal				
Joseph M. Chiczewski				
Reviews	07/01/2010	2.00	165.00	330.00
<i>IL 83 permit coordination and review / coordinate sunset groves schedules</i>				
Reviews	07/06/2010	5.00	165.00	825.00
<i>meeting with Sunset Groves and Sunset Food including travel and preparation and follow up</i>				
Reviews	07/07/2010	2.00	165.00	330.00
<i>retaining wall review and follow up to meeting</i>				
Reviews	07/12/2010	1.00	165.00	165.00
<i>review sunset groves IDOT permit issues / misc project review</i>				
Reviews	07/13/2010	4.00	165.00	660.00
<i>UPDATE STATESU - ATTEDN BOARD MEETING TO DISUCSS / REIVW</i>				
Reviews	07/14/2010	1.00	165.00	165.00
Reviews	07/15/2010	1.00	165.00	165.00
<i>coordination for sunset groves LOC and permits</i>				
Reviews	07/23/2010	1.50	165.00	247.50
<i>review rda ammendment issues and LCDOT permit and misc</i>				

Long Grove, Village of

Invoice number 10398
Date 08/09/2010

Project Manager: Brian B. Witkowski
Project: 04-026-018 Village of Long Grove Engineer Services

04-026-018 Village of Long Grove Engineer Services

Phase: 072ORD
6 Sunset Grove Development
Review Services

	Date	Units	Rate	Amount
Labor				
President / Principal				
Joseph M. Chiczewski				
Reviews	07/24/2010	2.00	165.00	330.00
<i>update RDA agreements and coordination for water system</i>				
Reviews	07/27/2010	1.00	165.00	165.00
<i>TIF bonds issues and RDA review and coordination for board approvals</i>				
Reviews	07/29/2010	1.00	165.00	165.00
<i>review schedule and loc issues</i>				
Subtotal		21.50		3,547.50
Project Engineer / Res. Engineer 1				
Brandt T. Zentner				
Construction	07/23/2010	2.00	107.00	214.00
<i>SESC inspection</i>				
Construction	07/26/2010	2.00	107.00	214.00
<i>SESC inspection and Documentation</i>				
Subtotal		4.00		428.00
Project Manager				
Brian B. Witkowski				
Project Admin/General	07/06/2010	6.00	124.00	744.00
<i>looking at estimate for Aptakisic Road improvements and differences between current and original estimate</i>				
Project Admin/General	07/07/2010	4.00	124.00	496.00
<i>initial review of request for reduction</i>				
Project Admin/General	07/08/2010	6.00	124.00	744.00
<i>looking at plat comments from Manhard and writing response letter</i>				
Project Admin/General	07/09/2010	6.00	124.00	744.00
<i>writing response letter for plat comments</i>				
Project Admin/General	07/12/2010	6.00	124.00	744.00
<i>IEPA response review, and conversation with Evan McGinley</i>				
Project Admin/General	07/13/2010	4.00	124.00	496.00
<i>initial review of LOC reduction request, IEPA cooperation</i>				
Project Admin/General	07/14/2010	4.00	124.00	496.00
<i>coordination on contact information for assist sty general</i>				
Project Admin/General	07/16/2010	6.00	124.00	744.00
<i>IEPA coordination of background items and LOC reduction review</i>				
Project Admin/General	07/19/2010	8.00	124.00	992.00
<i>reviewing and writing recommendation for LOC payout</i>				
Project Admin/General	07/20/2010	4.00	124.00	496.00
<i>finalizing review and LOC payout</i>				
Project Admin/General	07/21/2010	1.00	124.00	124.00
<i>follow up on documents for LOC reduction</i>				
Project Admin/General	07/26/2010	1.00	124.00	124.00

Long Grove, Village of

Invoice number 10398
Date 08/09/2010

Project Manager: Brian B. Witkowski
Project: 04-026-018 Village of Long Grove Engineer Services

04-026-018 Village of Long Grove Engineer Services

Phase: 072ORD
6 Sunset Groves Development
Review Services

	Date	Units	Rate	Amount
Labor				
Project Manager				
Brian B. Witkowski				
<i>IEPA follow up</i>				
Project Admin/General	07/27/2010	4.00	124.00	496.00
<i>IEPA discussion and progress discussion on the status of SG, plat comment response review</i>				
Project Admin/General	07/28/2010	4.00	124.00	496.00
<i>plat review, IEPA direction follow up</i>				
Project Admin/General	07/29/2010	6.00	124.00	744.00
<i>finalizing plat review and sending it out for comments, following up on IEPA SWPPP alteration approval</i>				
Project Admin/General	07/30/2010	5.00	124.00	620.00
<i>RDA change review, investigating SSA limits and</i>				
Subtotal		75.00		9,300.00
Kevin Siksta				
Construction	07/12/2010	4.50	124.00	558.00
<i>2 hrs-Preparing Sunset Groves Inspection Reports. 2.5 hrs-Sunset Groves inspection.</i>				
Construction	07/13/2010	1.00	124.00	124.00
<i>Prepare and submit observation report.</i>				
Construction	07/26/2010	3.00	124.00	372.00
<i>Sediment & Erosion Control Inspection</i>				
Construction	07/27/2010	1.50	124.00	186.00
<i>Prepared inspection reports for Water Treatment Plant and Sunset Groves.</i>				
Subtotal		10.00		1,240.00
Technician 1 / Intern				
William J. Colletti				
Construction	07/02/2010	3.00	55.00	165.00
<i>Inspected erosion control for the site.</i>				
Subtotal		3.00		165.00
Labor Total		113.50		14,680.50

Law Offices
HOLLAND & KNIGHT LLP

P.O. Box 864084
Orlando, Fl 32886-4084
(813) 901-4180
EIN 59-0663819

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Jacksonville	Orlando	West Palm Beach	

*Representative Office

Village of Long Grove
Attn: David A. Lothspeich
3110 R.F.D
Long Grove, IL 60047-9635

August 30, 2010
Invoice 2553864

TERMS: DUE ON RECEIPT

REMITTANCE COPY
(PLEASE RETURN WITH YOUR PAYMENT)

Our Matter #090009.06202
Plan Commission - Docket 2

Fees for Professional Services \$ 4,399.50

INVOICE TOTAL	\$	4,399.50

BALANCE DUE THIS INVOICE	\$	4,399.50
		=====

If you wish to remit by WIRE TRANSFER, please wire transfer funds to:

Wachovia Bank
214 N. Hogan Street, Jacksonville Fl., 32202
DOMESTIC Clients: ABA #063000021
INTERNATIONAL Clients: SWIFT PNBPU33
For Credit to the Account of:
HOLLAND & KNIGHT LLP
ACCT. #2090002390441

Please indicate our INVOICE NUMBER as reference in your wire transfer.

Village of Long Grove
Attn: David A. Lothspeich
3110 R.F.D
Long Grove, IL 60047-9635

August 30, 2010
Invoice 2553864
Page 2
REMITTANCE COPY

If you wish to remit by COURIER DELIVERY, please use the following address:

Holland & Knight LLP
Suite 864084
11050 Lake Underhill Road
Orlando, FL 32825-5016

25005

Law Offices
HOLLAND & KNIGHT LLP

P.O. Box 864084
Orlando, Fl 32886-4084
(813) 901-4180
EIN 59-0663819

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Ft. Lauderdale No. Virginia		Washington, D.C.	Mexico City*
Jacksonville	Orlando	West Palm Beach	

*Representative Office

Village of Long Grove
Attn: David A. Lothspeich
3110 R.F.D
Long Grove, IL 60047-9635

August 30, 2010
Invoice 2553864
Page 1
TERMS: DUE ON RECEIPT

For professional services rendered through July 30, 2010
in connection with the following:

Our Matter #090009.06202
Plan Commision - Docket 2

07/06/10 VPF	.90	Re: Sunset Grove. Conference with Messrs. Hogue and Wandrey re: various issues re: revised bank proposal; conference with Mr. Lothspeich re: additional RDA amendments; conference with Messrs. Lothspeich and Chiczewski re: CCRs; attention to RDA and CCRs amendments.
07/07/10 VPF	.20	Re: Sunset Grove. Telephone conference with Mr. Wandrey re: Chase amendment to PUD plan; attention to PUD regulations.
07/11/10 VPF	1.40	Re: Sunset Grove. Prepare e-mail communication to Attys. Mays and Huvard re: CCRs, access easements, and related RDA matters.
07/12/10 VPF	1.30	Re: Sunset Grove. Telephone conference with Mr. Lothspeich re: easements and CCRs; prepare resolution approving Sunset Grove easement agreement and Glazer declaration.

Village of Long Grove
Attn: David A. Lothspeich
3110 R.F.D
Long Grove, IL 60047-9635

August 30, 2010
Invoice 2553864
Page 2

07/13/10 VPF 2.10 Re: Sunset Grove. Further preparation of resolution approving Sunset Grove-Glazer easement and related documents; e-mail communication with Mr. Lothspeich re: same; e-mail communications with Attys. Mays and Huvard re: same; telephone conference with Atty. Huvard re: same; e-mail communications with Mr. Lothspeich re: same; communications with Atty. Groghan re: Orange Crush subcontractor issues.

07/13/10 BLG .60 Re: Sunset Grove. Review email correspondence re: comments on Sunset Grover-Glazer easement agreement; review and analyze draft resolution re: same easement.

07/15/10 VPF .20 Re: Sunset Grove. Telephone conference with Mr. Lothspeich re: Chase PUD amendment; e-mail communication with Mr. Lothspeich re: status; e-mail communication with Atty. Mays.

07/19/10 VPF .60 Re: Sunset Grove. E-mail communications with Mr. Lothspeich re: upcoming meeting; e-mail communication with Mr. Shum re: same; conference call with President Rodriguez, Messrs. Lothspeich, Block, Wandrey, Shum, Mays, and Ms. Gates re: project status.

07/21/10 VPF .20 Re: Sunset Grove. E-mail communications with Messrs. Lothspeich, Mays, and Shum re: status meeting; e-mail communication with Atty. Mays re: RDA amendment.

07/22/10 VPF .30 Re: Sunset Grove. E-mail communications with Mr. Lothspeich re: status meetings; e-mail communications with Mr. Shum re: RDA amendment.

Village of Long Grove
Attn: David A. Lothspeich
3110 R.F.D
Long Grove, IL 60047-9635

August 30, 2010
Invoice 2553864
Page 3

- 07/23/10 VPF 4.10 Re: Sunset Grove. Revise RDA Amendment; e-mail communication with Mr. Lothspeich re: same; e-mail communications with Atty. Mays re: same; e-mail communications with Messrs. Lothspeich and Mays re: RDA amendment exhibits; e-mail communications with Messrs. Lothspeich and Mays re: further revisions to RDA amendment; e-mail communications with Messrs. Lothspeich and Chiczewski re: Aptakisic TIF bond proceeds pledge; revise Sunset Foods rebate agreement; e-mail communication with Mr. Lothspeich re: same; e-mail communication with Atty. Freedman re: same; revise resolution approving Sunset Foods amended rebate agreement; e-mail communication with Mr. Lothspeich re: same.
- 07/26/10 VPF 1.20 Re: Sunset Grove. Telephone conference with Atty. Freedman re: revised Sunset Foods rebate agreement; attention to revised rebate agreement; e-mail communications with Mr. Laube re: same; e-mail communications with Mr. Lothspeich re: same; e-mail communication with Atty. Freedman re: same; telephone conference with Messrs. Lothspeich, Raphael, Granchalek, Smith, Levin, Mays, Shum, Wandrey, Mdm. Bilas and Gates re: status of development issues.
- 07/27/10 VPF 1.40 Re: Sunset Grove. E-mail communications with Mr. Mays re: revisions to RDA Amendment; revise RDA Amendment; telephone conference with Mr. Block re: same.
- 07/30/10 VPF 1.20 Re: Sunset Grove. Further revision to RDA Amendment; e-mail communications with Atty. Mays re: same; e-mail communication with Atty. Freedman re: Sunset Foods rebate agreement amendment.

Total Fees for Professional Services\$ 4,399.50

Village of Long Grove
Attn: David A. Lothspeich
3110 R.F.D
Long Grove, IL 60047-9635

August 30, 2010
Invoice 2553864
Page 4

Name	Title	Hours	Rate	Value
-----	-----	-----	-----	-----
Filippini, Victor P.	Partner	15.10	285.00	4,303.50
Gates, Betsy L.	Associate	0.60	160.00	96.00
		-----	-----	-----
		15.70		4,399.50

Current Billing for this Matter	-----
	4,399.50
BALANCE DUE THIS INVOICE	-----
	4,399.50
	=====

25005

**EXHIBIT AM-4
PLAN OF THE ARCHER LOTS**

9013820_v10

Prepared by and after
recording return to:

Victor P. Filippini, Jr.
Holland & Knight LLP
131 South Dearborn Street
30th Floor
Chicago, Illinois 60603
312-578-6560

Recorders Use Only

FIRST AMENDED AND RESTATED ECONOMIC INCENTIVE AGREEMENT

BY AND BETWEEN

THE VILLAGE OF LONG GROVE

AND

SUNSET FOODS *MARF, INC*

DATED AS OF *Aug 23rd*, 2010

FIRST AMENDED AND RESTATED ECONOMIC INCENTIVE AGREEMENT

THIS FIRST AMENDED AND RESTATED ECONOMIC INCENTIVE AGREEMENT is made and entered into as of the 23rd day of August, 2010, by and between the VILLAGE OF LONG GROVE, an Illinois municipal corporation ("**Village**") and SUNSET FOODS, INC., an Illinois corporation ("**Taxpayer**").

FOOD, MAR 25

IN CONSIDERATION OF the recitals and the mutual covenants and agreements set forth in this Agreement, and pursuant to the Village's statutory powers, the parties agree as follows:

SECTION 1. RECITALS.

A. Taxpayer is the prospective tenant of certain property generally located at the southeast corner of Aptakisic Road and Route 83 in Long Grove, Illinois, and legally described in Exhibit A attached hereto ("**Property**").

B. The Property is located in the Village's HR-1 zoning district and for more than one year has been vacant, but zoning approvals for a planned unit development on the Property have been granted. The Property is also located within a tax increment financing redevelopment project area (the "**TIF District**") that has been duly established by the Village.

C. Taxpayer operates grocery stores in Lake Forest, Highland Park, Libertyville, and Northbrook Illinois and is desirous of constructing and operating a comparable grocery store on the Property ("**Grocery Store**"), which Grocery Store would include at Taxpayer's option and subject to applicable laws, sales of alcoholic beverages and preparation of food for off-premises consumption, cooking demonstrations and classes, and temporary outdoor uses consistent with Section 5-9-3.D.3 of the Zoning Regulations. Taxpayer has determined, however, that it cannot construct and operate the Grocery Store without the Sales Tax Rebate to be provided pursuant to this Agreement. The Village has therefore agreed to rebate a portion of the sales tax generated by the Grocery Store as an incentive for Taxpayer's constructing and operating the Grocery Store on the Property.

D. The Village desires to have Taxpayer construct and operate the Grocery Store on the Rebate Property in order to create job opportunities in the Village, serve to further development on land adjoining the Rebate Property, strengthen the commercial sector of the Village, enhance the Village's tax base, and otherwise to promote the best interests of the Village and its residents.

E. The Village and Taxpayer entered into that certain "Economic Incentive Agreement By and Between the Village of Long Grove and Sunset Foods," dated March 25, 2008 (the "**Original Agreement**"), which Original Agreement set forth the terms of the rebate of the sales tax revenues.

F. Subsequent to execution of the Original Agreement, the Village and the Taxpayer agreed to modify the structure and terms of the Sales Tax Rebate, by pledging sales tax revenues generated from the development of the Grocery Store as additional security for certain Tax Increment Financing bonds ("**TIF Bonds**") that the Village intends to issue relating to improvement to serve the TIF District, in exchange for the Taxpayer having an accelerated Sales Tax Rebate payment from the net proceeds of the TIF Bonds.

G. The Village and the Taxpayer determined to enter into this First Amended and Restated Economic Incentive Agreement (the "**Agreement**"), which Agreement is intended to incorporate the terms of the Original Agreement, except to the extent that terms of the Original Agreement have been revised to reflect the new structure and terms of the Sales Tax Rebate, and this Agreement supersedes the terms of the Original Agreement.

H. Taxpayer meets high standards of creditworthiness, and the Village and Taxpayer have the power and authority to enter into this Agreement specifically pursuant to, but without limitation, Section 8-11-20 of the Illinois Municipal Code, 65 ILCS 5/8-11-20.

SECTION 2. DEFINITIONS.

Whenever used in this Agreement, the following terms shall have the following meanings unless a different meaning is required by the context.

"Commencement Date": The date established pursuant to Section 3.A of this Agreement.

"Corporate Authorities": The President and Board of Trustees of the Village.

"Effective Date": The date referenced in the first paragraph of page 1 of this Agreement.

"Force Majeure": An Act of God or other event or cause not reasonably within the control of Taxpayer or the Village including, without limitation, fire, strikes, lockouts, building material supply shortages, vendor problems not caused by Taxpayer, embargoes, civil riot, floods, or natural catastrophe, as further described in Section 7 of this Agreement.

"Gross Receipts": The term "Gross Receipts" shall have the same meaning as that which is ascribed to it in the Retailer's Occupation Tax Act.

"Local Sales Taxes": The local sales taxes imposed by the Village pursuant to the authority granted by Section 8-11-1 *et seq.* of the Illinois Municipal Code, 65 ILCS 5/8-11-1 *et seq.* and Chapter 3-4 of the Long Grove Village Code, or local business district sales taxes that may be imposed by the Village pursuant to Section 11-74.3-6 of the Illinois Municipal Code, 65 ILCS 5/11-74.3-6.

"Municipal Sales Tax": That portion or component of the Sales Taxes generated by Taxpayer from sales on all or any portion of the Rebate Property that the Village actually receives from the State of Illinois.

"Rebate Property": That portion of the Property on which the Grocery Store will be located and depicted as "Sunset Foods" on the site plan attached hereto as Exhibit B.

"Retailer's Occupation Tax Act": The Illinois Retailer's Occupation Tax Act, 35 ILCS 120/1 *et seq.*, as the same has been and may, from time-to-time hereafter, be amended.

"Sales Taxes": Any and all taxes imposed and collected by the State of Illinois pursuant to the Retailer's Occupation Tax Act, but not including any Local Sales Taxes.

"Sales Tax Rebate": The rebate payment to Taxpayer of a portion of the Municipal Sales Taxes that the Village is required to make pursuant to this Agreement.

"Sales Tax Year": The period of time commencing on the Commencement Date and ending on the date that is one year after the Commencement Date, and each succeeding year thereafter during the term of this Agreement.

"Total Rebate Amount": The maximum amount of Municipal Sales Tax to be reimbursed to Taxpayer under this Agreement, which amount shall be One Million Dollars (\$1,000,000.00).

"Zoning Regulations": The Long Grove Zoning Code, as the same has been and may, from time-to-time hereafter, be amended, and any special use permit or other ordinance granting zoning relief or approvals for the Property generally, or the Rebate Property specifically.

SECTION 3. COMMENCEMENT OF SALES TAX REBATE OBLIGATIONS.

A. Commencement Date. The "Commencement Date" under this Agreement is hereby declared to be the date on which the Grocery Store is constructed and open for business on the Property in compliance with Section 5.A, which date is anticipated to be January 15, 2011. The Taxpayer shall be required to notify the Village within three business days after the construction of the Grocery Store is complete and the Grocery Store is open for business on the Property.

B. Failure to Commence. Subject to extensions due to Force Majeure, in the event that the Grocery Store is not constructed on and open for business on the Property on or before June 30, 2012, the Village shall have no obligation whatsoever to perform any of the Sales Tax Rebate obligations set forth in Section 4 of this Agreement.

SECTION 4. SALES TAX REBATE.

A. Calculation of Sales Tax Rebate. Commencing on the Commencement Date and subject to the terms and limitations in this Agreement, the Village shall rebate to Taxpayer that portion of the Municipal Sales Tax generated by Taxpayer from the Rebate Property in accordance with the formula set forth below:

1. Within 15 days after the Commencement Date, the Village shall pay, or cause to be paid, to the Taxpayer an advanced Sales Tax Rebate payment of \$300,000.00 from the proceeds of the TIF Bonds.
2. In each subsequent Sales Tax Year, commencing on or after January 1, 2012, the Village shall pay a Sales Tax Rebate to Taxpayer equal to 100% of the Municipal Sales Tax generated by Taxpayer and received by the Village from the Rebate Property from all Gross Receipts; provided, however, that:
 - a. No Sales Tax Rebate will be paid from amount of Local Sales Taxes that the Village may receive;
 - b. No Sales Tax Rebate will be paid from Sales Taxes generated from locations other than the Taxpayer's operations on the Rebate Property, provided, however that any amount of the Sunset Grove Sales Taxes, as

defined in that certain "Ordinance Providing for the Issuance of Not to Exceed \$5,000,000 of Limited Obligation Tax Increment Revenue Bonds (Sunset Grove Project), Series 2010, of the Village of Long Grove, Lake County, Illinois" adopted on _____, 2010 (the "**TIF Bond Ordinance**"), generated in a Sales Tax Year that are not required to satisfy obligations in connection with the TIF Bond Ordinance shall be paid to Taxpayer in an amount not to exceed 100% of the Municipal Sales Tax generated by Taxpayer in that same Sales Tax Year;

- c. No Sales Tax Rebate will be paid in excess of the Total Rebate Amount or for Municipal Sales Taxes received after the term of this Agreement; and
- d. Notwithstanding any Municipal Sales Tax generated from Taxpayer's operations on the Rebate Property, no Sales Tax Rebate will be paid to Taxpayer to the extent that such Municipal Sales Tax revenues are required to satisfy obligations in connection with the TIF Bond Ordinance.

B. Village Payment. Except for the payment due to the Taxpayer pursuant to Section 4.A.1 of this Agreement and subject to the limitations in Section 4.A.2 of this Agreement, within 120 days after the end of each Sales Tax Year, the Village shall pay Taxpayer the applicable Sales Tax Rebate for that particular Sales Tax Year, based on the records of the Illinois Department of Revenue actually provided to and received by the Village. If, for any reason, the State of Illinois fails to distribute the Municipal Sales Tax revenue or the necessary Illinois Department of Revenue records to the Village in sufficient time for the Village to make such annual Sales Tax Rebate payments, the Village shall provide notice of such fact to Taxpayer. In that event, the Village shall make the required Sales Tax Rebate payment within 60 days after the date on which the Village actually receives the Municipal Sales Tax revenue and records due the Village for the applicable annual payment period. If at the end of any Sales Tax Year, there is a need to adjust and reconcile the amount of any annual Sales Tax Rebate payment to account for any provision of this Agreement or to account for the amount of Municipal Sales Tax actually paid by the State of Illinois, the Village and Taxpayer do hereby agree to cooperate with each other to accomplish such reconciliation.

C. Change in the Law.

- 1. The Village and Taxpayer acknowledge and agree that the Village's obligation to pay the Sales Tax Rebate to Taxpayer is predicated on existing State law, including, without limitation, the Retailer's Occupation Tax Act. The Village and Taxpayer further acknowledge that the General Assembly of the State has, from time to time, considered proposals to modify or eliminate the distribution of Sales Taxes to Illinois municipalities. The Village and Taxpayer desire in Paragraph 2 of this Section 4.C to make express provision for the effect of any such change upon the operation of this Agreement.
- 2. In the event that the State of Illinois amends or repeals the Retailer's Occupation Tax Act or makes any other promulgation, enactment or change in law ("**Change in Law**") that eliminates the distribution of Sales Taxes to the Village, otherwise alters the distribution formula in a manner that prevents the Village and Taxpayer from determining with a reasonable degree of certainty the precise amount of the Municipal Sales Tax or the amount of Municipal Sales Tax generated by Taxpayer on the Rebate Property, or it is determined that the Property does not

qualify, under applicable state law, to receive Municipal Sales Tax Rebates, the provisions of this Agreement with regard to Sales Tax Rebates of Municipal Sales Tax generated from the Rebate Property on or after the effective date of the Change in Law or such determination shall automatically terminate and become null and void and be of no further force or effect, and the Village shall have no obligation whatsoever to pay to Taxpayer any of the Municipal Sales Tax generated on or after the effective date of the Change in Law or such determination. However, if a Change in Law results in replacement taxes for the Sales Taxes directly resulting from Gross Receipts of Taxpayer as contemplated hereunder, then, for purposes of this Agreement, such replacement taxes shall be defined as Sales Taxes, subject in all respects to the Village's actual receipt of its portion of such replacement taxes as well as the Village's authority under state law to provide for rebate of such replacement taxes, as contemplated herein.

D. No Guarantee. The parties acknowledge and agree that none of the terms, conditions, or provisions of this Agreement shall be construed, deemed, or interpreted as either (1) a guarantee that the Village will receive any Municipal Sales Taxes as a result of the operation of the Grocery Store on the Rebate Property, (2) a guarantee that Taxpayer will receive the Total Rebate Amount under this Agreement, or (3) a requirement or obligation by Taxpayer to generate Gross Receipts from the Rebate Property.

E. Limited Liability. Notwithstanding any other provision of this Agreement to the contrary, the Village's obligation to pay the Sales Tax Rebate shall be subject to the applicable laws of the State of Illinois and shall not be a general debt of the Village or a charge against its general credit or taxing powers, but shall be a special limited obligation payable solely out of the Municipal Sales Tax received by the Village, as specifically defined in Section 2 of this Agreement. Taxpayer shall have no right to, and agrees that it shall not, compel any exercise of the taxing power of the Village to pay the Sales Tax Rebate, and no execution of any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds or other property of the Village (unless the Village refuses to make such payment to Taxpayer in violation of this Agreement). No recourse shall be had for any payment pursuant to this Agreement against any past, present, or future trustee, member, elected or appointed officer, official, agent, attorney, representative, or employee of the Village in his or her individual capacity.

SECTION 5. USE AND DEVELOPMENT OF THE PROPERTY.

A. Zoning Approvals. This Agreement shall be contingent upon, and not effective until, Taxpayer has (i) filed all necessary applications for, (ii) obtained approval of zoning relief to authorize the operation of, (iii) obtained a certificate of occupancy in conformity with such approval of zoning relief, and (iv) secured all business and other licenses or permits required to operate, the Grocery Store on the Property.

B. Compliance with Laws. If Taxpayer fails to comply with any material provision of the Zoning Regulations or of any other applicable code, ordinance, or regulation of the Village, or of any other applicable local, state, or federal ordinance, regulation, or law during the term of this Agreement, the provisions of this Agreement with regard to payment of Sales Tax Rebates of Municipal Sales Tax generated from the Rebate Property shall automatically terminate, and the Village shall have no obligation to pay to Taxpayer any Sales Tax Rebate based upon the Municipal Sales Tax generated on or after the date of Taxpayer's noncompliance or violation; provided, however, at least 30 days before such automatic

termination, the Village shall notify Taxpayer of the violation and allow Taxpayer 30 days after such notice to cure the violation.

SECTION 6. REAL PROPERTY VALUATION.

Taxpayer recognizes that the Village has legitimate interests and concerns regarding the valuation and assessment of the Property for real estate tax purposes. Accordingly, Taxpayer does hereby agree to (a) notify the Village prior to the commencement or initiation of any protest or appeal by, on behalf of, or for the benefit of Taxpayer of the real property valuation of the Property established by the Lake County Assessor; and (b) not initiate or cause to be initiated any protest or appeal that seeks a property valuation that is disproportionate to, or inconsistent with, the actual use of the Property.

SECTION 7. FORCE MAJEURE.

Whenever a period of time is provided for in this Agreement for either Taxpayer or the Village to perform any act or obligation, and Taxpayer or the Village, as the case may be, is unable to perform or complete such act or obligation because of a Force Majeure, then upon the occurrence of any such Force Majeure, the time period for the performance and completion of such acts or obligations shall be extended for a reasonable time to accommodate the delay caused by the Force Majeure.

SECTION 8. LITIGATION AND DEFENSE OF AGREEMENT.

A. **Litigation.** If, during the term of this Agreement, any lawsuits or proceedings are filed or initiated against either party before any court, commission, board, bureau, agency, unit of government or sub-unit thereof, arbitrator, or other instrumentality, that may materially affect or inhibit the ability of either party to perform its obligations under, or otherwise to comply with, this Agreement ("**Litigation**"), the party against which the Litigation is filed or initiated shall promptly deliver a copy of the complaint or charge related thereto to the other party and shall thereafter keep the other party fully informed concerning all aspects of the Litigation.

B. **Defense.** The Village and Taxpayer do hereby agree to use their respective best efforts to defend the validity of this Agreement, and all ordinances and resolutions adopted and agreements executed pursuant to this Agreement, including every portion thereof and every approval given, and every action taken, pursuant thereto. Any costs or expenses incurred by the Village in connection with the defense of this Agreement (including, without limitation, reasonable attorneys' fees and the reasonable value of Village staff time) shall be reimbursed by the Taxpayer. To this end, Taxpayer may elect to assume directly all responsibilities, costs, and expenses relating to the defense of any Litigation; provided, however, that Taxpayer shall have no authority to settle Litigation on behalf of the Village without the formal or written approval of the Corporate Authorities. The Village and Taxpayer do hereby agree to reasonably cooperate with each other to carry out the purpose and intent of this Agreement.

C. **Cooperation for Curative Acts.** To the extent any challenge is asserted against the validity of this Agreement, any of its provisions, or any procedures or enactments relating to this Agreement, the parties shall cooperate to take any curative action that may be necessary or desirable to avoid or defeat such challenge and allow the parties to enjoy the benefits intended to be conferred by the Agreement.

D. **Litigation as Force Majeure.** To the extent that Taxpayer is unable to receive a Sales Tax Rebate for any period due to Litigation, such Litigation will qualify as a Force Majeure event.

SECTION 9. REMEDIES.

A. **Remedies.** In the event of a breach or an alleged breach of this Agreement by either party, either party may, by suit, action, mandamus or any other proceeding, in law or in equity, including specific performance, enforce or compel the performance of this Agreement.

B. **Notice and Cure.** Neither party may exercise the right to bring any suit, action, mandamus or any other proceeding pursuant to Paragraph A of this Section 9 without first providing written notice to the other party of the breach or alleged breach and allowing a period of 30 days for the curing of said breach or alleged breach; provided, however, that in the event such violation or failure cannot be cured within said 30-day period notwithstanding diligent and continuous effort by the party receiving notice and said party shall have promptly commenced to cure the violation or failure and shall have thereafter prosecuted the curing of same with diligence and continuity, then the period for curing such violation or failure shall be extended for such period as may be necessary for curing such violation with diligence and continuity.

SECTION 10. TERM.

This Agreement shall be in full force and effect for a period of 20 years after the Commencement Date. This Agreement shall, during its term, run with and bind the Rebate Property and shall inure to the benefit of and be enforceable by Taxpayer and the Village, and any of their respective permitted legal representatives, heirs, grantees, successors, and assigns.

SECTION 11. RELEASE OF INFORMATION.

Taxpayer agrees to sign all documentation necessary to cause the Illinois Department of Revenue to release to the Village the amount of Municipal Sales Tax generated by Taxpayer from the Rebate Property during each of the Sales Tax Years pursuant to applicable State law.

SECTION 12. PAYMENT OF VILLAGE FEES AND COSTS.

A. **General Requirements.** In addition to any other costs, payments, fees, charges, contributions, or dedications specifically required by this Agreement, Taxpayer shall pay to the Village, as and when due, all application, inspection, and permit fees, and all other fees, charges, and contributions required by applicable Village codes, ordinances, resolutions, rules, or regulations.

B. **Special Requirements.** In addition to any other costs, payments, fees, charges, contributions, or dedications required by this Agreement, or by applicable Village codes, ordinances, resolutions, rules, or regulations, Taxpayer shall pay or cause to be paid to the Village, within 30 days after presentation of a written demand notice therefor, all legal, engineering, and other consulting and administrative fees, costs, and expenses incurred or accrued in connection with the review and processing of plans for the development of the Rebate Property, including specifically, but without limitation, the fees and expenses that the Village has paid and will pay to its legal counsel. The Village agrees to provide Taxpayer with a detailed fee statement for such services. Payment of all such fees, costs, and expenses for which demand has been made, but payment has not been received, by the Village prior to

execution of this Agreement shall be made as a condition precedent to the execution of this Agreement by the Village President. Further, Taxpayer agrees that it shall be liable for and will pay upon demand all costs incurred by the Village for publications and recordings required in connection with the aforesaid matters. Notwithstanding any other provision of this Agreement, payment of all said fees, costs, and expenses shall be a condition precedent to each and every obligation of the Village under this Agreement. Additionally, the Village may, in its sole discretion and upon notice to Taxpayer, set off any amounts due from Taxpayer under this Agreement against any Sales Tax Rebate due from the Village.

C. **Village Lien Rights.** If any money due from Taxpayer to the Village pursuant to this Agreement is not paid to the Village by Taxpayer within 30 days after a demand for such payment, then such money, together with interest and costs of collection, including legal fees and administrative expenses, shall become a lien upon all portions of the Rebate Property (or Taxpayer's interest in the Rebate Property), and the Village shall have the right to collect such amount, with interest and costs, including legal fees and administrative expenses, and the right to enforce such lien in the same manner as in statutory mortgage foreclosure proceedings. Such lien shall be subordinate to any first mortgage now or hereafter placed upon the Rebate Property; provided, however, that such subordination shall apply only to charges that have become due and payable prior to a sale or transfer of the Rebate Property pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the Rebate Property from liability for any charges thereafter becoming due, nor from the lien of any subsequent charge.

SECTION 13. LIABILITY AND INDEMNITY OF VILLAGE.

A. **No Liability for Village Review.** Taxpayer acknowledges and agrees (1) that the Village is not, and shall not be, in any way liable for any violations of restrictive covenants applicable to the Rebate Property that may occur, or for any damages or injuries that may be sustained, as the result of the Village's review and approval of any plans for the Rebate Property, or as a result of the issuance of any approvals, permits, certificates, or acceptances relating to the use and development of the Rebate Property; and (2) that the Village's review and approval of any such plans and the issuance of any such approvals, permits, certificates, or acceptances does not, and shall not, in any way, be deemed to insure Taxpayer, or any of its heirs, successors, assigns, tenants, or licensees, or any third party, against restrictive covenant violations or damage or injury of any kind at any time.

B. **Village Procedures.** Taxpayer acknowledges that notices, meetings, and hearings have been properly given and held by the Village with respect to the approval of this Agreement and agrees not to challenge any of such actions on the grounds of any procedural infirmity or of any denial of any procedural right.

C. **Indemnity.** Taxpayer agrees to, and does hereby, release, hold harmless, and indemnify the Village, the Corporate Authorities, all Village elected and appointed officials, officers, employees, agents, representatives, and attorneys, from any and all claims that may, at any time, be asserted against any of such parties in connection with (i) the Village's review and approval of any plans, or the issuance of any approvals, permits, certificates, or acceptances relating to the use and development of the Rebate Property; (ii) any actions taken by the Village pursuant to Subsection B of this Section 13; (iii) the development, construction, and maintenance of the Rebate Property; (iv) the violation of any restrictive covenant applicable to the Rebate Property; and (v) the performance by Taxpayer of its obligations under this Agreement and all related ordinances, resolutions, or other agreements.

D. Defense Expenses. Taxpayer shall, and does hereby agree to, pay, without protest, all costs or expenses incurred by the Village in connection with the defense of this Agreement (including, without limitation, reasonable attorneys' fees and the reasonable value of Village staff time). To this end, Taxpayer may elect to assume directly all responsibilities, costs, and expenses relating to the defense of any Litigation; provided, however, that Taxpayer shall have no authority to settle Litigation on behalf of the Village without the formal or written approval of the Corporate Authorities.

SECTION 14. ENFORCEMENT.

The parties hereto may, in law or in equity, by suit, action, mandamus, or any other proceeding, including, without limitation, specific performance, enforce or compel the performance of this Agreement; provided, however, that Taxpayer agrees that it shall not seek, and that it does not have the right to seek, to recover a judgment for monetary damages (other than payment of the Sales Tax Rebate) against the Village or any elected or appointed Village officer, officials, agents, representatives, attorneys, or employees on account of the negotiation, execution, or breach of any of the terms and conditions of this Agreement. Notwithstanding the foregoing, in the event of a judicial proceeding brought by any party to this Agreement against any other party to this Agreement for enforcement or for breach of any provision of this Agreement, the prevailing party in such judicial proceeding shall be entitled to reimbursement from the unsuccessful party of all costs and expenses, including reasonable attorneys' fees, incurred in connection with such judicial proceeding.

SECTION 15. NATURE, SURVIVAL AND TRANSFER OF OBLIGATIONS.

A. Binding Effect. Taxpayer acknowledges and agrees that this Agreement shall be binding upon Taxpayer and any and all of his or its heirs, successors, and permitted assigns and the successor owners of record of all or any portion of the Rebate Property.

B. Prohibited Assignments. It is the express intent of the parties hereto that, unless otherwise expressly approved by resolution of the Corporate Authorities of the Village, this Agreement, and all of the rights and privileges granted herein, are for the sole and exclusive benefit of Taxpayer. Accordingly, notwithstanding any provision of this Agreement, in the event that Taxpayer does, or attempts to, voluntarily or involuntarily transfer its interests in the Rebate Property or this Agreement, in whole or in part, without the prior consent of the Corporate Authorities, which consent may be granted or denied in the sole discretion of the Corporate Authorities, this Agreement, and all of the rights and privileges granted herein, shall, at the option of the Village, become null and void and be of no force or effect.

SECTION 16. REPRESENTATIONS AND WARRANTIES.

A. Taxpayer Representations and Warranties. In order to induce the Village to enter into this Agreement and to adopt the ordinances and grant the rights herein provided for, Taxpayer hereby warrants and represents to the Village as follows:

1. Taxpayer is duly organized, validly existing, and in good standing under the laws of the State of Illinois.
2. Taxpayer has the authority and the legal right to make, deliver, and perform this Agreement and has taken all necessary corporate, partnership, and venture actions to authorize the execution, delivery, and performance of this Agreement.

3. No owner, mortgagee, landlord, or any other secured party that has an interest in the Rebate Property as of the date of this Agreement has an objection to either (i) the execution and performance of this Agreement by Taxpayer or (ii) the binding nature of this Agreement with respect to the Rebate Property. In the event that Taxpayer is not the owner of record of the Rebate Property, Taxpayer shall deliver to the Village Clerk, at the time of Taxpayer's execution of this Agreement, a document in the form attached hereto as Exhibit C executed by all owners of record and any secured parties acknowledging this warranty and confirming the validity thereof.
4. All necessary consents of any Board of Directors, shareholders, creditors, investors, partners, judicial, or administrative bodies, governmental authorities, or other parties, including specifically but without limitation all secured parties, regarding the execution and delivery of this Agreement have been obtained.
5. Except as may be expressly identified in Exhibit D attached hereto, no consent or authorization of, filing with, or other act by or in respect of any governmental authority (other than the Village, and the State of Illinois with respect to distribution of Sales Taxes) is required in connection with the execution, delivery, performance, validity, or enforceability of this Agreement that has not heretofore been obtained by Taxpayer. The securing of any consent or authorization, or the completion of any filing or other act as identified in Exhibit D shall be a condition precedent to the Village's obligation to deliver any Sales Tax Rebate to Taxpayer.
6. The individuals executing this Agreement on behalf of Taxpayer have the power and authority to execute and deliver this Agreement on behalf of Taxpayer.
7. The execution, delivery, and performance of this Agreement (i) is not prohibited by any requirement of law or under any contractual obligation of Taxpayer; (ii) will not result in a breach or default under any agreement to which Taxpayer is a party or to which Taxpayer, in whole or in part, is bound; and (iii) will not violate any restriction, court order, or agreement to which Taxpayer or the Property, in whole or in part, is or are subject.
8. Taxpayer meets high standards of creditworthiness and financial strength and will, upon request, deliver to the Village one or more of the following: (A) corporate debenture ratings of BBB or higher by Standard & Poor's Corporation or Baa or higher by Moody's Investors Service, Inc.; (B) a letter from a financial institution with assets of \$10,000,000 or more attesting to the financial strength of the developer; or (C) specific evidence of equity financing for not less than 10% of the total project costs.

B. Village Representations and Warranties. In order to induce Taxpayer to enter into this Agreement and to adopt the ordinances and grant the rights herein provided for, the Village hereby warrants and represents to Taxpayer that the individuals executing this Agreement on behalf of the Village have been duly authorized and directed by the Corporate Authorities to execute and deliver this Agreement on behalf of the Village.

SECTION 17. GENERAL PROVISIONS.

A. Notice. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be (i) personally delivered, or (ii) delivered by a reputable overnight courier, or (iii) delivered by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid. Telecopy notices shall be deemed valid only to the extent they are (a) actually received by the individual to whom addressed as evidenced by a confirmation of transmission and (b) followed by delivery of actual notice in the manner described in either (i), (ii) or (iii) above within three (3) business days thereafter. Unless otherwise expressly provided in this Agreement, notices shall be deemed received upon the earlier of (x) actual receipt, or (y) one (1) business day after deposit with an overnight courier as evidenced by a receipt of deposit, or (z) three (3) business days following deposit in the U.S. mail, as evidenced by a return receipt.

Notices and communications to the Village shall be addressed to, and delivered at, the following address:

Village of Long Grove
3110 RFD
Long Grove, Illinois 60047
Attention: Village Manager
FAX: 847-634-9408

with a copy to:

Victor P. Filippini, Jr.
Holland & Knight LLP
131 S. Dearborn Street
30th Floor
Chicago, Illinois 60603
FAX: 312-578-6666

For notices and communications to Taxpayer:

Sunset Foods
1812 Green Bay Road
Highland Park, IL 60035
FAX: 847-681-5539

with a copy to:

Lawrence M. Freedman, Esquire
Ash, Anos, Freedman & Logan LLC
77 West Washington Street, Suite 1211
Chicago IL 60602
FAX: 312-346-7847

By notice complying with the requirements of this Section, each party shall have the right to change the address or the addressee, or both, for all future notices and communications to such party, but no notice of a change of addressee or address shall be effective until actually received.

B. Time of the Essence. Time is of the essence in the performance of all terms and provisions of this Agreement.

C. Rights Cumulative. Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies and benefits provided by this Agreement shall be cumulative and shall not be exclusive of any other such rights, remedies and benefits allowed by law.

D. Non-Waiver. The Village shall be under no obligation to exercise any of the rights granted to it in this Agreement except as it shall determine to be in its best interest from time to time. The failure of the Village to exercise at any time any such right shall not be deemed or construed a waiver thereof, nor shall such failure void or affect the Village's right to enforce such right or any other right.

E. Consents. Whenever the consent or approval of any party hereto is required in this Agreement such consent or approval shall be in writing and shall not be unreasonably withheld or delayed, and, in all matters contained herein, all parties shall have an implied obligation of reasonableness, except as may be expressly set forth otherwise.

F. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the internal laws, but not the conflicts of laws rules, of the State of Illinois.

G. Non-Severability. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the entire remainder of this Agreement shall, thereupon, be null and void and of no further force and effect, it being the intent of the parties that all of the provisions of this Agreement be treated as an individual whole.

H. Entire Agreement. This Agreement shall constitute the entire agreement of the parties to this Agreement regarding the rebate of Municipal Sales Tax to Taxpayer; all prior drafts and agreements concerning such matters between the parties, whether written or oral, are merged in this Agreement and shall be of no force and effect.

I. Grammatical Usage and Construction. In construing this Agreement, feminine or neuter pronouns shall be substituted for those masculine in form and vice versa, and plural terms shall be substituted for singular and singular for plural, in any place in which the context so requires.

J. Interpretation. This Agreement shall be construed without regard to the identity of the party who drafted the various provisions of this Agreement. Moreover, each and every provision of this Agreement shall be construed as though all parties to this Agreement participated equally in the drafting of this Agreement. As a result of the foregoing, any rule or construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.

K. Headings. The table of contents, heading, titles and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.

L. Exhibits. Exhibits A, B, C, and D attached hereto are, by this reference, incorporated in and made a part of this Agreement. In the event of a conflict between an exhibit and the text of this Agreement, the text of this Agreement shall control.

M. Amendments and Modifications. No modification, addition, deletion, revision, alteration or other change to this Agreement shall be effective unless and until such change is reduced to writing and executed by the Village and all owners of record of the Property at the time such modification is intended to be effective, pursuant to all applicable statutory procedures.

N. Calendar Days and Time. Any reference herein to "day" or "days" shall mean calendar and not business days. If the date for giving of any notice required to be given hereunder or the performance of any obligation hereunder falls on a Saturday, Sunday, or Federal holiday, then said notice or obligation may be given or performed on the next business day after such Saturday, Sunday, or Federal holiday.

O. No Third Party Beneficiaries. No claim as a third party beneficiary under this Agreement by any person, firm or corporation shall be made, or be valid, against the Village or Taxpayer.

[END OF TEXT. SIGNATURES CONTINUE ON FOLLOWING PAGES.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

ATTEST:

VILLAGE OF LONG GROVE

Karen Schulteis
Village Clerk

Maria Rodas
Village President

ACKNOWLEDGMENTS

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

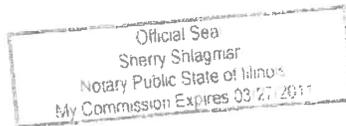
This instrument was acknowledged before me on August 27, 2010, 2010 by Maria Rodas, the Village President of the **VILLAGE OF LONG GROVE**, an Illinois municipal corporation, and by Karen Schulteis, the Village Clerk of said municipal corporation.

Given under my hand and notarial seal this 27th day of August, 2010, 2008.

Notary Public Sherry Shlagmar

My Commission Expires: 3/27/2011

(SEAL)



9519609_v4

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

^{MART, ~~_____~~}
SUNSET FOODS, INC.
an Illinois corporation

By: John E. Cortes

Its: President + CEO

ACKNOWLEDGMENTS

STATE OF ILLINOIS)
) SS
COUNTY OF Lake)

I, Stephanie Sandberg a Notary Public in and for said County, in the State aforesaid, do hereby certify that John E. Cortes, personally known to me to be the President + CEO of **SUNSET FOODS, INC.**, an Illinois corporation, and _____, personally known to me to be the _____ of said corporation, appeared before me this day in person and acknowledged that as such President + CEO and _____, they signed and delivered said instrument as their free and voluntary act and as the free and voluntary act of **SUNSET FOODS, INC.** for the uses and purposes therein set forth. ^{MART}

Given under my hand and notarial seal this 23rd day of August, ²⁰¹⁰ 2008.

Notary Public Stephanie Sandberg

My Commission Expires: 11-18-2011

(SEAL)

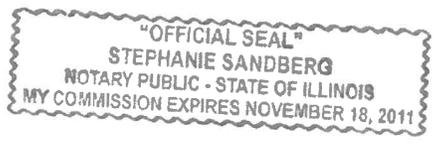


EXHIBIT A

Legal Description of the Property

PARCEL 1:

THE NORTH 5 ACRES OF THE WEST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THAT PART TAKEN FOR ROAD PURPOSES IN CASE NUMBER 91 ED 44) IN LAKE COUNTY, ILLINOIS.

PIN: 15-30-200-030

PARCEL 2:

THE SOUTH 389.18 FEET OF THE NORTH 718.31 FEET (AS MEASURED ON THE EAST AND WEST LINES THEREOF) OF THE NORTH HALF OF THE WEST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EAST LINE OF ROUTE 83 (EXCEPT THAT PART TAKEN FOR ROAD PURPOSES IN CASE NUMBER 91 ED 43) IN LAKE COUNTY, ILLINOIS.

PIN: 15-30-200-031

PARCEL 3:

THE SOUTH 389.17 FEET OF THE NORTH 1107.48 FEET (AS MEASURED ON THE EAST AND WEST LINES THEREOF) OF THAT PART OF THE NORTH HALF OF THE WEST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EAST LINE OF ROUTE 83 (EXCEPT THAT PART TAKEN FOR ROAD PURPOSES IN CASE NUMBER 91 ED 42) IN LAKE COUNTY, ILLINOIS.

PIN: 15-30-200-032

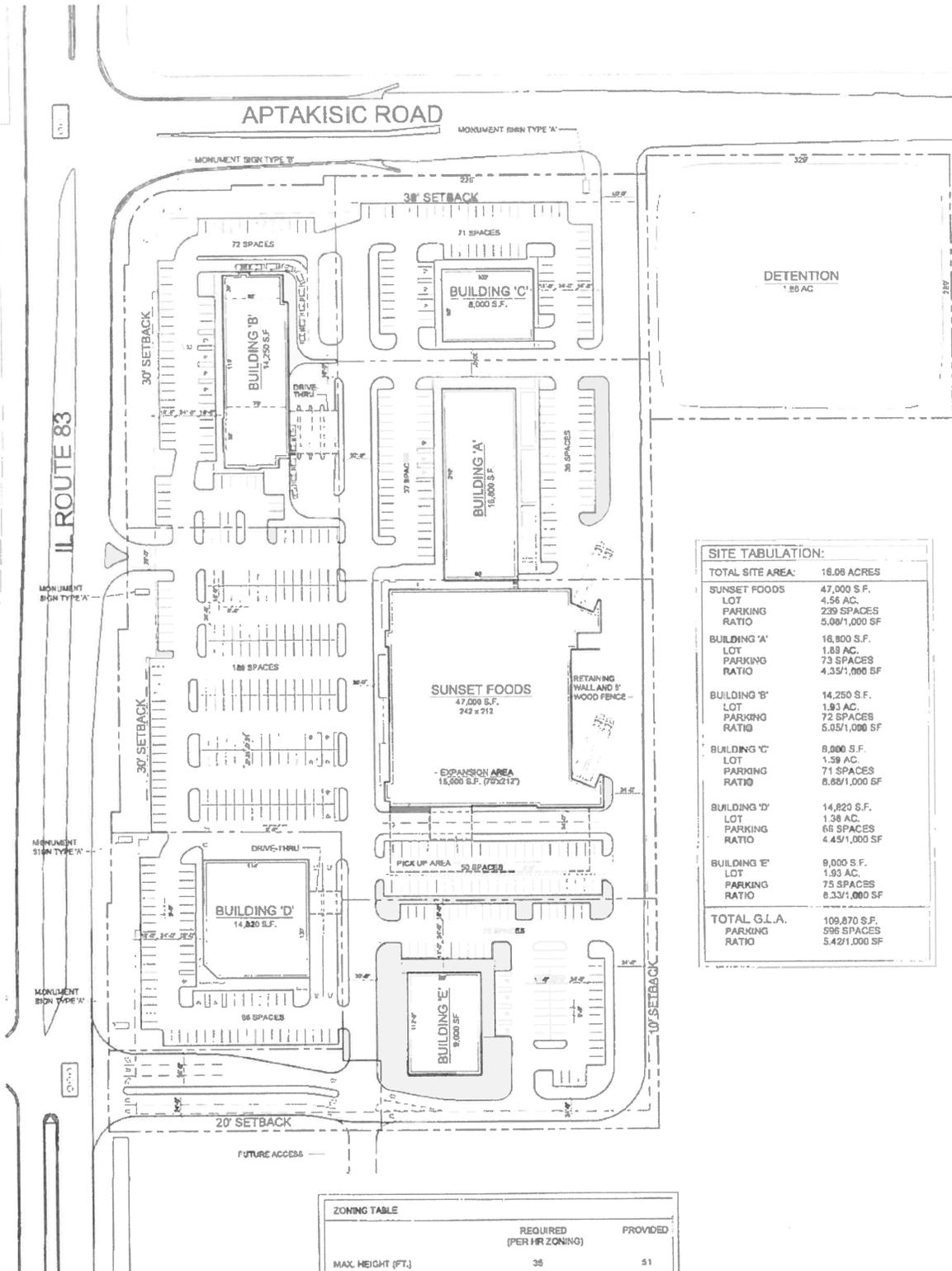
PARCEL 4:

THE WEST 2 1/2 ACRES OF THE NORTH 5 ACRES OF THE EAST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

PIN: 15-30-200-002

EXHIBIT B

Depiction of the Rebate Property



SITE TABULATION:

TOTAL SITE AREA:	16.08 ACRES
SUNSET FOODS	47,000 S.F.
LOT	4.56 AC.
PARKING	239 SPACES
RATIO	5.08/1,000 SF
BUILDING 'A'	18,000 S.F.
LOT	1.88 AC.
PARKING	73 SPACES
RATIO	4.35/1,000 SF
BUILDING 'B'	14,250 S.F.
LOT	1.93 AC.
PARKING	72 SPACES
RATIO	5.05/1,000 SF
BUILDING 'C'	8,000 S.F.
LOT	1.59 AC.
PARKING	71 SPACES
RATIO	8.89/1,000 SF
BUILDING 'D'	14,820 S.F.
LOT	1.98 AC.
PARKING	66 SPACES
RATIO	4.45/1,000 SF
BUILDING 'E'	9,000 S.F.
LOT	1.95 AC.
PARKING	75 SPACES
RATIO	8.33/1,000 SF
TOTAL G.L.A.	109,870 S.F.
PARKING	596 SPACES
RATIO	5.42/1,000 SF

ZONING TABLE

	REQUIRED (PER I/R ZONING)	PROVIDED
MAX. HEIGHT (FT.)	35	51
TOTAL DISTRICT AREA (AC.)	20	14.87
MIN. SETBACKS (FT.)		
FRONT AND CORNER SIDE	30	30
SIDE	30	20
REAR	30	10
MAX. FLOOR AREA RATIO	.15	.157
MAX. IMPERVIOUS SURFACE COVERAGE	.40	.58



SUNSET GROVE
LONG GROVE, ILLINOIS

MID-AMERICA DEVELOPMENT



OKW Architects
PROJECT NUMBER: 0453

DATE: OCTOBER 2, 2007

EXHIBIT C

Acknowledgement Form from
Secured Parties

The undersigneds, being all of the owners of record and secured parties of record with respect to the "Property" as legally described in Exhibit 1 to this Acknowledgement, hereby state and acknowledge that they have:

- (i) No objection to the execution and performance by Sunset Foods, Inc. ("**Sunset**"), of that certain "Economic Incentive Agreement" between Sunset and the Village of Long Grove, Illinois (the "**Agreement**");
- (ii) No objection to the binding nature of the Agreement with respect to the "Rebate Property" as defined in the Agreement; and
- (iii) No knowledge of the falsehood or inaccuracy of any of the representations or warranties in Section 16.A of the Agreement.

NAME OF OWNER OF RECORD/
SECURED PARTY

By: _____
Its _____
Date: _____

ATTEST:

Its _____

NAME OF OWNER OF RECORD/
SECURED PARTY

By: _____
Its _____
Date: _____

ATTEST:

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NAME OF OWNER OF RECORD/
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Its _____

NAME OF OWNER OF RECORD/
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By: _____
Its _____
Date: _____

ATTEST:

Its _____

EXHIBIT D

Additional Required Government Approvals and Action
(if applicable)

None
EAL 8/27/10