RESOLUTION NUMBER 09-12

RESOLUTION AUTHORIZING THE VILLAGE PRESIDENT TO EXECUTE REAL ESTATE CONTRACT BETWEEN CHICAGO TITLE LAND TRUST COMPANY AS TRUSTEE UNDER A TRUST AGREEMENT DATED MAY 1, 2008 AND KNOWN AS TRUST NUMBER 8002350400 AND THE VILLAGE OF EAST DUNDEE FOR THE PURCHASE OF A 7.1 ACRE PARCEL AND EASEMENT IN THE RIVER HAVEN OF EAST DUNDEE

WHEREAS, the Village of East Dundee is a home rule unit of local government under and pursuant to Section 6 of Article VII of the Constitution of the State of Illinois, has the authority to exercise any power and perform any function pertaining to its government and affairs, including but not limited to the power to regulate for the protection of the public health, safety, morals, and welfare; and

WHEREAS, The Village of East Dundee (the Village) desires to purchase a 7.10 acre parcel of property in the River Haven of East Dundee subdivision and an easement and Chicago Title Land Trust Company, not individually but solely as trustee under Trust Agreement dated May 1, 2008, and known as Trust No. 8002350420 desires to sell the property; and

WHEREAS, the Village and Chicago Title Land Trust Company have set forth the terms of the purchase as set forth in the Real Estate Sales Contract attached hereto; and

WHEREAS, it is in the best interest of the Village of East Dundee for the Village President to execute the Real Estate Sales Contract for the purchase of the property from Chicago Title Land Trust Company as set forth in the agreement attached hereto;

NOW THEREFORE BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF EAST DUNDEE, KANE AND COOK COUNTIES, ILLINOIS, AS FOLLOWS:

<u>Section One</u>. That the Real Estate Sales Contract is hereby approved and the Village President is authorized to execute and the Village Clerk is authorized to attest to the Real Estate Sales Contract between the Village of East Dundee and Chicago Title Land Trust Company, not

individually but solely as trustee under Trust Agreement dated May 1, 2008, and known as Trust No. 8002350420, and said Real Estate Sales Contract is attached hereto and made a part hereof.

Section Two. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

Section Three. Repeal. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section Four. Publication. This resolution shall be in full force and effect forthwith upon its adoption, approval and publication in pamphlet form as provided by law.

Adopted this 5th day of 7000, 2012, pursuant to a roll call vote as follows:

AYES: 7. Trustles Ruffulo, Gorman, Lynam, Miller Van O stenbridge NAYES: Skillicom & President Barter
ABSENT:
Approved by me this 5th day of March, 2012.
JERALD BARTELS, President Protem
Published in pamphlet form this day of, 2012, under the authority of the President and Board of Trustees.
ATTEST.

Recorded in the Village Records on March 6th



REAL ESTATE SALES CONTRACT

ARTICLES OF AGREEMENT entered into on this _____ day of ______, 2012, by and between CHICAGO TITLE LAND TRUST COMPANY, not individually but solely as trustee under Trust Agreement dated May 1, 2008, and known as Trust No. 8002350420 (hereinafter "Seller"), and VILLAGE OF EAST DUNDEE, ILLINOIS, an Illinois municipal corporation (hereinafter "Purchaser").

WITNESSETH:

Section 1. Sale of Real Estate. Subject to the terms, covenants and conditions of this Agreement, Seller shall sell, and Purchaser shall purchase, the following real estate (collectively, the "Real Estate"): (i) the approximately 7.10 acres of real estate located in River Haven of East Dundee Subdivision, East Dundee, Illinois, and legally described on Exhibit A, attached hereto and incorporated herein; and (ii) the easement for ingress and egress also legally described on said Exhibit A from State Route No. 25 to the entrance for the real estate described in (i) above.

Section 2. Closing.

- (A) Closing on the transaction shall occur on or before April 30, 2012, at the Chicago office of Old Republic National Title Insurance Company, Inc., or at such other place as may be mutually agreed to by Seller and Purchaser (the "Closing"). At the Closing, Seller shall convey fee simple title to the Real Estate to Purchaser, free of any and all liens, other monetary interests, and other easements, restrictions, conditions and covenants which would interfere with Purchaser's intended use of the Real Estate and as so identified by Purchaser as provided in Section 3, by a good and sufficient trustee's deed executed by Seller.
- (B) Seller shall, in addition to preparing and delivering to Purchaser the trustee's deed called for herein, prepare, execute and deliver to Purchaser all appropriate transfer declarations and other documentation required by the State of Illinois or by any other governmental entity and pay any transfer taxes or other fees due by reason of said sale. Seller shall also prepare, execute and deliver all additional documents, resolutions or affidavits reasonably required by Purchaser and the title company to effectuate the transfer of the Real Estate herein contemplated to be purchased, including, but not limited to, an ALTA Statement, Settlement Statement, and Statement of Non-Foreign Status of Seller.
- (C) Possession of the Real Estate shall be delivered to Purchaser at the time of Closing.
- (D) Any continuing obligations on the part of Seller described herein shall not merge with the recording of the deed.

Section 3. Title Evidence.

- (A) No more than ten (10) days after the execution of this Agreement, Seller, at Seller's sole expense, shall furnish to Purchaser a commitment for title insurance issued by Old Republic National Title Insurance Company, Inc., showing merchantable title to the Real Estate in Seller, committing the title insurance company to issue a 2006 ALTA Owner's Policy of Title Insurance, with extended coverage over the standard or general exceptions to title, for the amount of the Purchase Price, as defined in Section 5. Permissible exceptions to title shall include only: (i) the lien of general taxes not yet payable; (ii) zoning and building laws and ordinances; and (iii) easements of record for utilities, drainage and public roads, highways and improvements. The cost of any later date search necessary to issue the ALTA title policy to Purchaser shall also be paid by Seller. Any endorsements required by Purchaser or its lender shall be at Purchaser's sole cost and expense.
- (B) Purchaser or Purchaser's attorney shall within twenty (20) days after receiving such title commitment, deliver to Seller or its agent a memorandum in writing, specifying any objections it has regarding the status of Seller's title on the Real Estate as set forth in the commitment. If said objections to title are not cured within twenty (20) days after such notice thereof, this Agreement shall, in Purchaser's sole and absolute discretion, be void, notice of such election to be given promptly to Seller, and the parties shall have no further obligation or liability to each other pursuant to this Agreement. Purchaser may nevertheless elect to take such title as it then is, and may deduct from the Purchase Price the amounts of liens or encumbrances, and in such case Seller shall convey as above agreed provided, however, that such Purchaser shall have first given a written notice of such election, within ten (10) days after the expiration of the twenty (20) day cure period, and if no such notice of election is given, Seller and Purchaser shall have no further obligation or liability to each other pursuant to this Agreement.
- <u>Section 4</u>. <u>Warranties and Representations of Seller</u>. Seller makes the following representations and warranties, all of which shall be true and correct as of the date of this Agreement and as of the date of Closing:
- (A) Seller has good, merchantable and insurable title to the Real Estate, which is free and clear of all mortgages, liens, security interests, charges, claims, restrictions and other encumbrances of every kind except as otherwise specifically provided for in this Agreement or as will be discharged at or before Closing, and there will be no restrictions on the transfer of the Real Estate at the time of Closing.
- (B) There is no pending or threatened condemnation or similar proceeding affecting the Real Estate or any part thereof.
- (C) There are no claims, actions, suits or other legal or administrative proceedings, including, without limitation, bankruptcy proceedings, pending or threatened, against or involving Seller or the Real Estate which could affect the consummation of the transactions contemplated hereby, and there are no facts which might result in any action, suit or similar proceeding. There are no judgments, orders or stipulations against Seller or the Real Estate except as disclosed with respect to the Settlement Agreement entered into by Seller (and its affiliates) and Purchaser dated October 12, 2007.

- (D) There are no special or other assessments levied against or relating to the Real Estate, and Seller does not know of any proposed assessments.
- (E) There are no leases or other contracts to which Seller is a party which affect the Real Estate.
- (F) Subject to procurement of Village and other governmental approvals, Seller is not subject to any charter, bylaw, rule, agreement or restriction of any kind or character which would prevent the consummation of this Agreement and the transactions contemplated hereby. Seller has full power and authority to execute this Agreement and all documents necessary to accomplish the sale contemplated herein, fully perform hereunder and to consummate the transactions contemplated hereby without the consent or joinder of any other party.
- (G) Seller has complied with all applicable laws, ordinances, regulations, orders, rules and restrictions pertaining to or affecting the ownership and operation of the Real Estate.
- (H) All bills for work done or materials furnished by or at the request of Seller to or for the improvement of the Real Estate will have been paid in full, or provision made for payment, such that no lien therefore, whether statutory or common law, may properly be filed or enforced against the Real Estate.
- (I) At the time of Closing, no person or entity, other than Purchaser, will have any right of possession to any portion of the Real Estate, except those rights reasonably retained by Seller in connection with the easement described in <u>Section 1</u> hereof.
- (J) Seller has no knowledge of any latent defects or adverse facts that exist with respect to the physical condition of the Real Estate which have not been specifically disclosed to Purchaser.
- (K) Neither this Agreement nor any written statement or document furnished or to be furnished by Seller to Purchaser in connection with the transactions contemplated by this Agreement contains or will contain any untrue statement of material fact or omits or will omit any material fact necessary to make the statements contained therein not misleading.
- (L) Seller has not received, nor has any knowledge of, any notice of violation of laws or municipal ordinances, regulations, orders or requirements of departments of housing, building, fire, labor, health or other state, county or municipal departments or governmental authorities having jurisdiction against or affecting the Real Estate or the use or operation thereof.
- (M) For purposes of this Agreement, each of the following terms shall have the following meaning:
- (i) "Environmental Laws" shall mean all laws, statutes, ordinances, rules, regulations, orders, codes, licenses, permits, decrees, judgments, directions or the equivalent, of or by any federal, state or local governmental authority, and relating to or addressing the protection of the environment or human health, now or hereafter in effect.

- (ii) "Hazardous Substances" shall mean and include any substances, materials, waste or particular matter defined as or included in the definition of hazardous substances, hazardous waste, hazardous materials, toxic substances, contaminants, or any other substances declared to be hazardous or toxic under any Environmental Laws or any other federal, state or local laws, ordinances, rules or regulations now or hereafter in effect, including, without limitation, substances which are or contain petroleum, gasoline, diesel fuel or another petroleum hydrocarbon product.
- (N) Seller has not knowingly caused or permitted Hazardous Substances to be discharged, disbursed, released, stored, treated, generated, disposed of, or allowed to escape on, in or under the Real Estate in a manner which violates any Environmental Laws. To the best of Seller's knowledge, no other person or entity has caused Hazardous Substances to be discharged, disbursed, released, stored, treated, generated, disposed of, or allowed to escape on, in or under the Real Estate. Seller has not received any notice of any violation of any Environmental Laws pertaining to the Real Estate. To the best of Seller's knowledge, no investigation, administrative order, consent order or agreement, litigation or settlement with respect to Hazardous Substances is proposed, threatened, anticipated or in existence with respect to the Real Estate. To the best of Seller's knowledge, the Real Estate has not previously been used as a landfill, cemetery, or a dump for garbage or refuse by Seller or, to the best of Seller's knowledge, by any other person or entity. To the best of Seller's knowledge, there are no underground storage tanks located on the Real Estate.
- (O) Seller (and each individual executing this Agreement on behalf of Seller) is not a foreign investor, nor do foreign investors have any beneficial interest in the Real Estate. Seller acknowledges that § 1445 of the Internal Revenue Code of 1986, as amended, requires that a purchaser of real estate from a "foreign person" withhold at closing and pay to the Internal Revenue Service a portion of the amount realized by the seller of such real estate. Therefore, Seller agrees to provide at Closing an affidavit of Seller, or Seller's managing member or officer if Seller is not an individual, in form required by Purchaser, setting forth sufficient facts to establish whether or not Seller is a "foreign person" within the meaning of said § 1445, including, without limitation, Seller's taxpayer identification number and principal residence or business address. Seller agrees to make available to Purchaser at Closing collected funds sufficient to permit compliance by Purchaser with the requirements of said § 1445 if Seller is a "foreign person".
- (P) All representations and warranties of Seller appearing in other sections and paragraphs of this Agreement are true, correct and complete and shall survive Closing.

Section 5. Purchase Price.

- (A) The purchase price for the Real Estate shall be ONE MILLION SEVEN HUNDRED THOUSAND AND NO/100'S DOLLARS (\$1,700,000.00) (the "Purchase Price").
- (B) At Closing, Purchaser shall pay the Purchase Price less any tax proration credits and customary expenses chargeable to Seller.

Section 6. Prorations. Purchaser shall receive a credit upon the Purchase Price for a share of the taxes assumed (whether for real estate or personalty) by Purchaser prorated from the first day of the appropriate tax year to the date of Closing computed upon the last known assessed value, adjusted by the last confirmed multiplier and times the last known tax rate, all adjusted based upon the best information available. All outstanding installments of special assessments shall be paid by Seller at time of Closing. After Closing, any additional real estate taxes attributable to the Real Estate, including those occasioned by Purchaser's acquisition and change of current use, shall be paid by Purchaser.

Section 7. Default by Seller. In the event of a default by Seller under the terms of this Agreement and such default continues for a period of thirty (30) days after written notice thereof from Purchaser to Seller, Purchaser shall have the option to either (a) terminate this Agreement; or (b) seek any and all other remedies, legal or equitable, available to Purchaser, including the right of specific performance. In the event Purchaser shall institute legal action against Seller because of a default of this Agreement, Purchaser shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action provided Purchaser succeeds in such action.

Section 8. Default by Purchaser. In the event of a default by Purchaser under the terms of this Agreement and such default continues for a period of thirty (30) days after written notice thereof from Seller to Purchaser, Seller shall have the option to either (a) terminate this Agreement; or (b) seek any and all other remedies, legal or equitable, available to Seller, including the right of specific performance. In the event Seller shall institute legal action against Purchaser because of a default of this Agreement, Seller shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action provided Seller succeeds in such action.

<u>Section 9.</u> <u>Notices.</u> Any notices pursuant to this Agreement shall be in writing and sent to the following addresses:

If to Seller:

Raymond E. Plote

c/o Plote Property Management, LLC

1141 E. Main St., Suite 100 East Dundee, Illinois 60118

With copy to:

Warren R. Fuller Fuller and Berres 69 S. Barrington Road

South Barrington, Illinois 60010

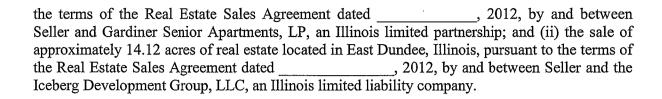
If to Purchaser:

Village of East Dundee, Illinois

120 Barrington Avenue East Dundee, Illinois 60118

Attention: Robert Skurla, Village Administrator

- Notice by personal service or overnight delivery shall be deemed to have been received on the day of the delivery. Notice by mail shall be deemed to have been received three (3) days after being deposited in an official depository under the regular care and custody of the United States Mail, sent by registered or certified mail, return receipt requested, with postage prepaid. A time period in which a response to any notice, demand or request must be given pursuant to the terms of this Agreement shall commence to run from the date of receipt.
- <u>Section 10.</u> <u>Recording.</u> This Agreement or any appropriate memorandum thereof may be recorded by Purchaser at its sole cost and expense.
- <u>Section 11.</u> <u>Counterparts</u>. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. An executed facsimile of this Agreement or any portion hereof, including the signature page of any party, shall be deemed an original for all purposes.
 - Section 12. Time of the Essence. Time is of the essence of this Agreement.
- Section 13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.
- Section 14. Successors and Assigns. Purchaser may assign this Agreement and all of its interest in and rights under this Agreement to other persons or entities only upon the express written consent of Seller, which shall not be unreasonably withheld. The terms, conditions and covenants set forth in this Agreement shall extend to, be binding upon, and inure to the benefit of the respective successors and permitted assigns of Seller and Purchaser and shall run with the land.
- <u>Section 15</u>. <u>Survival</u>. All representations and warranties made by Seller in this Agreement will not merge with the deed but will survive the Closing.
- Section 16. Severability. If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of this Agreement or the application of same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.
- Section 17. Captions and Headings. The captions appearing in this Agreement are inserted as a matter of convenience and for reference, and in no way affect this Agreement, or define, limit or describe its scope, intent or any of its provisions.
- <u>Section 18.</u> <u>Amendment.</u> This Agreement may only be amended by the unanimous written consent of Seller and Purchaser.
- Section 19. Simultaneous Closing. Seller's obligations to close pursuant to this Agreement is contingent upon simultaneously closing on the following sales of real estate: (i) the sale of approximately 3.07 acres of real estate located in East Dundee, Illinois, pursuant to



<u>Section 20.</u> <u>Contingency.</u> This contract is contingent upon Purchaser securing funds sufficient for closing on this property by the issuance/sale of municipal bonds on or before March 30, 2012. If Purchaser is unable to secure the funds as specified above, Purchaser will serve notice to Seller on or before March 30, 2012 and this contract will be null and void.

(the signature of the parties appears on the following page)

IN WITNESS WI	HEREOF, the parties have caused this Agreement to be executed on this, 2012.
	SELLER:
	CHICAGO TITLE LAND TRUST COMPANY, not individually but solely as trustee under Trust Agreement dated May 1, 2008 and known as Trust No. 8002350420
	By: Plote Property Management, LLC
	By Management Agent
	PURCHASER:
	VILLAGE OF EAST DUNDEE, ILLINOIS, an Illinois municipal corporation
	ByVillage President
	Attest:
	By Chriliage Clerk

Exhibit A

That part of the southeast quarter of section 23, Township 42 north, Range 8 east of the Third Principal Meridian described as follows:

commencing at the northwest corner of LPC Subdivision as platted by Document 674491; thence S0°01'17"W along the west line of said LPC Subdivision, 47.64 feet for a point of beginning; thence S0°01'17"W along said west line, 300.37 feet to the west corner common to Lots 1 and 2 of said LPC Subdivision; thence N89°59'38"W, 182.48 feet; thence N0°00'22"E, 204.62 feet; thence S79°14'53"E, 70.63 feet; thence N8°09"15"W, 111.37 feet; thence easterly along a circular curve having a radius of 130.00 feet concave to the north, the chord of which bears S85°54'44"E, 18.45 feet; thence S89°58'43"E, 79.00 feet to the point of beginning in the Village of East Dundee, Kane County, Illinois.

Area: 46,883 sq.ft. 1.08 acres

AND

That part of the southeast quarter of section 23, Township 42 north, Range 8 east of the Third Principal Meridian described as follows:

beginning at the northeast corner of LPC Subdivision as platted by Document 674491; thence S89°44'52"W along the north line of said LPC Subdivision, 278.95 feet; thence N0°16'30"W, 318.55 feet; thence S89°43'30"W, 429.54 feet; thence N0°16'30"W, 21.40 feet; thence northerly along a circular curve having a radius of 60.00 feet concave to the west, the chord of which bears N3°18'55"E, 180.98 feet; thence northwesterly along a circular curve having a radius of 20.00 feet concave to the northeast, the chord of which bears N41°41'05"W, 28.91 feet; thence N0°16'30"W, 275.30 feet; thence S85°20'29"E, 171.42 feet; thence N89°43'30"E, 169.57 feet; thence N0°16'30"W, 133.01 feet; thence N89°43'30"E, 52.02 feet to the west line of Illinois Route 25; thence S0°16'30"E along said west line of Illinois Route 25, 873.00 feet to the point of beginning in the Village of East Dundee, Kane County, Illinois.

262,206 sq.ft. 6.02 acres

AND

PERPETUAL AND NON-EXCLUSIVE ACCESS EASEMENT

THAT PART OF LOTS 2 AND 6 IN L P C SUBDIVISION, A SUBDIVISION OF THE SOUTHEAST QUARTER OF SECTION 23 AND THE NORTHEAST QUARTER OF SECTION 26 RECORDED AS DOCUMENT NUMBER 1674491, AND THAT PART OF THE SOUTHEAST QUARTER OF

SECTION 23, ALL IN TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 2 OF SAID L P C SUBDIVISION; THENCE NORTH 00 DEGREES 16 MINUTES 30 SECONDS WEST ALONG THE WESTERLY RIGHT OF WAY LINE OF ILLINOIS STATE ROUTE 25, A DISTANCE OF 13.00 FEET; THENCE SOUTH 89 DEGREES 43 MINUTES 30 SECONDS WEST, 638.50 FEET; THENCE SOUTH 00 DEGREES 16 MINUTES 30 SECONDS EAST PARALLEL WITH THE WESTERLY RIGHT OF WAY LINE OF ILLINOIS STATE ROUTE 25, A DISTANCE OF 60.00 FEET; THENCE NORTH 89 DEGREES 43 MINUTES 30 SECONDS EAST, 638.50 FEET TO SAID WESTERLY RIGHT OF WAY LINE; THENCE NORTH 00 DEGREES 16 MINUTES 30 SECONDS WEST ALONG SAID WESTERLY RIGHT OF WAY LINE, 47.00 FEET TO THE POINT OF BEGINNING, IN THE VILLAGE OF EAST DUNDEE, KANE COUNTY, ILLINOIS. (CONTAINING 0.87947 ACRES MORE OR LESS)



VILLAGE OF

120 Barrington Avenue, East Dundee, Illinois 60118 847-426-2822 fax: 847-426-2956

Project:

Gardiner Place Apartments and River Haven Place Apartments

Location:

24.29 Acre vacant field north of River Valley Square Shopping Center

Current Use:

Commercial farm, PIN # 03-23-479-004

Current benefit to Village:

Village portion of farm property tax – 6.71% of \$273 - \$18.30

Purchase Price:

\$2,600,000 Total / \$107,040 per acre/ \$2.46 per sq ft

Renovation/New Construction: Gardiner Place Apartments - \$16,500,000; River Haven Place

Apartments - \$14,280,000 - TOTAL - \$30,780,000

Current EAV:

\$3,602

Increased EAV:

\$2,350,000

Increased TIF Increment:

\$177,600 Annually

Increased FTE Jobs:

Increased Payroll:

\$200,000

Increased Local Sales and Utility Taxes:

Sales Tax- Assuming 148 new households spending \$100 per month on general merchandise in the Village: (148 X \$100 X 12 = \$177,600 X 3%) =

\$5,328.

Utility Taxes – Assuming \$150 per month per household: (148 units X \$150/month in utility bills X 5%) = \$7,992

Incidental Benefits:

- 1) One time recapture of all local sales tax on building materials for both projects, or about \$428,382.
- 2) Permanent relocation of two Businesses into the Dundee Crossings BDD - Door Creek Construction and Evercore Products. Both are purchasers of significant building materials for projects in Illinois and these offices would be their final points of sale. It is through their initial project purchasing that we effect the \$428,382 listed in #1 above.
- 3) Potential exchange of 2-3 acres of park site with East Dundee Fire District for their current Fire Station which could then be converted to our "new" Police Station and Village Board Room.

VILLAGE ASSISTANCE

TIF Revenue Bond in the amount of \$1,700,000 to Purchase 3 acre park site and 4.1 acre storm water detention pond site.

Cost to service Bond with General Obligation (GO) Backing: \$177,000 annually with an 18 year amortization schedule and 2-4% rising interest rate.

CASH FLOW ANALYSIS

Annual Debt Service on \$1,700,000 Bond =

\$135,000

TIF Revenue increment:

Gardiner Place Apartments \$1,200 per unit X 80 Units = \$96,000

River Haven Apartments @ \$1,200 per unit X 68 units = \$81,600

TOTAL ANNUAL TIF INCREMENT

\$ 177,600

NET PAYMENTS TO VILLAGE STAF TIF Fund =

+\$42,600

--ICEBERG DEVELOPMENT GROUP, LLC-

20 Sandstone Court LeClaire, Iowa 52753

February 23, 2012

Robert J. Skurla Village Administrator 120 Barrington Ave. Village of East Dundee, IL 60118

RE: RIVERHAVEN OF EAST DUNDEE

Dear Bob:

In connection with my two development projects in the Village of East Dundee (Gardiner Place Senior Apartments and River Haven Place), I understand that the Village will be issuing bonds, the proceeds of which will be utilized to purchase the portion of the Plote property that the Village and I have agreed the Village will purchase. In connection therewith, you have asked me to confirm in writing our understanding that the Village will not be required to purchase its portion of the Plote property unless simultaneous with, or prior to, such Village purchase I also purchase the portions of the Plote property that are being used for my projects. Please accept this letter as confirmation that I agree our understanding is in fact as set forth above. (Note that my arrangement with Plote includes the same purchase requirement).

In addition, I ask you to please confirm on behalf of the Village our understanding that the Village will provide me with an easement to construct and maintain water detention on those areas of the plats that have been designated for water detention. These areas include the portion of the "park" area adjacent to Gardiner Place Senior Apartment and a second, smaller water detention area. These areas are shown on the attached map for your reference. As we move toward closing, I will have my engineer prepare the easements for review by the Village. Ultimately, the easements will need to be recorded immediately after the close of our respective purchases from Plote. I ask that you please sign and return this letter to acknowledge our understanding with respect to the easements.

Sincerely,

ICEBERG DEVELOPMENT GROUP, LLC

By

James N. Bergman, Sole Member

Acknowledged by:

VILLAGE OF EAST DUNDEE

Village Administrator

--ICEBERG DEVELOPMENT GROUP, LLC-

20 Sandstone Court LeClaire, Iowa 52753

February 23, 2012

Robert J. Skurla Village Administrator 120 Barrington Ave. Village of East Dundee, IL 60118

RE: RIVERHAVEN OF EAST DUNDEE

Dear Bob:

As I pursue my two development projects in the Village of East Dundee (Gardiner Place Senior Apartments and River Haven Place), I sincerely appreciate the assistance of the Village of East Dundee. The purpose of this letter is to memorialize our discussion with respect to a matter that you have indicated is one of importance to the Village.

Specifically, we discussed the Village's sales tax regime and the tremendous benefit that commercial development has in terms of adding to Village's general fund. In connection therewith, I indicated that there is a strong likelihood that I can arrange for my general contractor and prime materials supplier to locate within the Village for the duration of my development projects and perhaps longer. I have long-term relationships with both entities and they each devote a substantial amount of their workload to my projects — thus, there is an incentive for them to "go where I go" so to speak. Conveniently, both entities are currently looking for space in the western suburbs and, with respect to the general contractor, its key employee lives near the Village. Location within the Village makes sense, then, on several levels.

As a result of our discussion, I agree to use my best efforts to locate both my general contractor and prime materials supplier to a location within the Village. To this end, I will arrange for both to contact you to discuss available locations within the Village. While I am not certain at this time as to their exact space needs, I am confident that you will be able to point them to appropriate properties. Presuming these entities are ultimately able to locate within the Village, I would anticipate that they would have a positive impact on sales tax generation under the Village's current sales tax regime.

Sincerely,

ICEBERG DEVELOPMENT GROUP, LLC

By

James N. Bergman, Sole Member