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Total Amt: \$81.00 Page 1 of 36
IL Rental Housing Fund: \$0.00
Lake County IL Recorder
Mary Ellen Vanderventer Recorder
File **6512628**

VILLAGE OF VERNON HILLS

ORDINANCE NO. 2009-040

AN ORDINANCE REPEALING ORDINANCE 2009-36 AND AUTHORIZING THE VILLAGE PRESIDENT TO EXECUTE A THIRD AMENDMENT TO THE REDEVELOPMENT AGREEMENT WITH VHFC, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, FOR THE PROPERTY AT THE NORTH SIDE OF US ROUTE 45, WEST OF US ROUTE 21 IN THE VILLAGE OF VERNON HILLS, LAKE COUNTY.

THE 4th DAY OF AUGUST 2009

Published in pamphlet form by the Authority of the President and Board Of Trustees of the Village of Vernon Hills, Lake County, Illinois, this 5th Day of August 2009

*Prepared by e-mail to: Scham Burney Ross + Citron
Attn: Bernie Citron
222 N. LaSalle Suite 1910
Chicago, IL 60601*

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ORDINANCE NO. 2009-040

AN ORDINANCE REPEALING ORDINANCE 2009-36 AND AUTHORIZING THE VILLAGE PRESIDENT TO EXECUTE A THIRD AMENDMENT TO THE REDEVELOPMENT AGREEMENT WITH VHTC, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, FOR THE PROPERTY AT THE NORTH SIDE OF US ROUTE 45, WEST OF US ROUTE 21 IN THE VILLAGE OF VERNON HILLS, LAKE COUNTY.

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

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

WHEREAS, on May 9, 2006, the Village and VHTC, LLC (the "Developer") entered into a Redevelopment Agreement to stimulate and induce redevelopment in the Redevelopment Project Area (the "Redevelopment Agreement"); and

WHEREAS, on July 10, 2007 the Village and the Developer executed the First Amendment to the Redevelopment Agreement ("First Amendment") to clarify and confirm certain provisions thereof; and

WHEREAS, on December 20, 2007, the Village remitted three million two thousand dollars (\$3,002,000) in bond proceeds to VHTC as partial payment of the amounts owed to VHTC on the purchase of the Half Day Inn Property pursuant to Section 5.3 of the Redevelopment Agreement.

WHEREAS, on January 8, 2008, the Village and the Developer executed the Second Amendment to the Redevelopment Agreement ("Second Amendment").

WHEREAS, the Parties now desire to further amend the Redevelopment Agreement in order to allow the Developer to assign the Developer's interest in the

Developer's Notes pursuant to the Redevelopment Agreement (Assignment attached as Exhibit "A"); and

WHEREAS, the Village Board approved Ordinance 2009-036 at its July 21, 2009 meeting which approved the third amendment to the Redevelopment Agreement; and

WHEREAS, due to additional changes to the Redevelopment Agreement requested by the Developer's lender, the Village Board must repeal Ordinance 2009-036 and approve this new ordinance for the third amended Redevelopment Agreement with the lender driven provisions as attached in Exhibit A; and

WHEREAS, this Third Amendment, as set forth in Exhibit A, has been submitted to the Members of the Developer for consideration and review, the Members have taken all actions required to be taken prior to the execution of this Third Amendment in order to make the same binding upon the Developer according to the terms hereof, and any and all action of the Members of the Developer precedent to the execution of this Third Amendment have been undertaken and performed in the manner required by law; and

WHEREAS, the Village has conducted such hearings as are required to be held under the Act and all applicable law.

NOW THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS, AS FOLLOWS:

SECTION I: Recitals. The foregoing recitals shall be and are hereby incorporated in this Section One as if said recitals were fully set forth herein.

SECTION II: Repeal of Ordinance 2009-036. This Ordinance hereby repeals Ordinance 2009-036.

SECTION III: Third Amendment to Redevelopment Agreement. This Ordinance authorizes the Village President to execute a third amendment to the Redevelopment Agreement with VHTC, LLC, said Amendment being attached in Exhibit A, for the property at the north side of U.S. Route 45, West of U.S. Route 21 in order to modify certain provisions thereof.

SECTION IV: Invalidity of Any Section. If any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provisions shall not affect any of the remaining provisions of this ordinance.

SECTION V: Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith shall be and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

SECTION VI. Ordinance Number. This Ordinance shall be known as Ordinance Number 2009-040.

Adopted by roll call vote as follows:

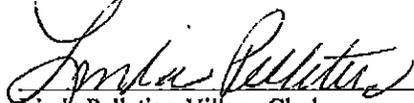
AYES: 5-Marquardt, Schultz, Williams, Hebda, Koch
NAYS: 0-None
ABSENT AND NOT VOTING: 1-Schwartz



Roger L. Byrne, Village President

PASSED: 8/04/2009
APPROVED: 8/04/2009
PUBLISHED IN PAMPHLET FORM: 8/05/2009

ATTEST:



Linda Pelletier, Village Clerk

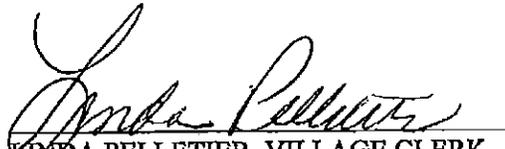
STATE OF ILLINOIS)
)
COUNTY OF LAKE)

CERTIFICATE

I, LINDA PELLETIER, CERTIFY THAT I AM THE DULY APPOINTED AND ACTING VILLAGE CLERK OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS. I FURTHER CERTIFY THAT ON AUGUST 4, 2009, THE CORPORATE AUTHORITIES OF SUCH MUNICIPALITY PASSED AND APPROVED ORDINANCE 2009-040, AN ORDINANCE REPEALING ORDINANCE 2009-36 AND AUTHORIZING THE VILLAGE PRESIDENT TO EXECUTE A THIRD AMENDMENT TO THE REDEVELOPMENT AGREEMENT WITH VHTC, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, FOR THE PROPERTY AT THE NORTH SIDE OF US ROUTE 45, WEST OF US ROUTE 21 IN THE VILLAGE OF VERNON HILLS, LAKE COUNTY.

THE PAMPHLET FOR ORDINANCE NO. 2009-040, INCLUDING THE ORDINANCE AND A COVER SHEET THEREOF WAS PREPARED, AND A COPY OF SUCH ORDINANCE WAS POSTED IN THE VILLAGE HALL, COMMENCING AUGUST 5, 2009 AND CONTINUING FOR AT LEAST TEN DAYS THEREAFTER. COPIES OF SUCH ORDINANCE WERE ALSO AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST IN THE OFFICE OF THE VILLAGE CLERK.

DATED IN VERNON HILLS, ILLINOIS, THIS 5TH DAY OF AUGUST 2009.


LINDA PELLETIER, VILLAGE CLERK

SEAL

AFFIDAVIT OF SERVICE

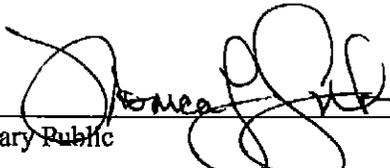
STATE OF ILLINOIS)
)
COUNTY OF LAKE)

I, LINDA PELLETIER, BEING FIRST DULY APPOINTED, DEPOSES AND SAYS ON OATH THAT AS VILLAGE CLERK OF THE VILLAGE OF VERNON HILLS, SHE DID CAUSE THE FOREGOING CERTIFICATE FOR ORDINANCE 2009-040, AN ORDINANCE REPEALING ORDINANCE 2009-36 AND AUTHORIZING THE VILLAGE PRESIDENT TO EXECUTE A THIRD AMENDMENT TO THE REDEVELOPMENT AGREEMENT WITH VHTC, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, FOR THE PROPERTY AT THE NORTH SIDE OF US ROUTE 45, WEST OF US ROUTE 21 IN THE VILLAGE OF VERNON HILLS, LAKE COUNTY.

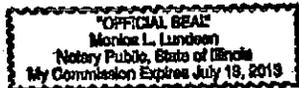


LINDA PELLETIER, VILLAGE CLERK

SUBSCRIBED AND SWORN to Before
Me this 13 day of August, 2009



Notary Public



**THIRD AMENDMENT TO
REDEVELOPMENT AGREEMENT**

THIS THIRD AMENDMENT TO REDEVELOPMENT AGREEMENT (this "Third Amendment"), is made and entered into as of the 4th day of August, 2009 ("Third Amendment Date") by and between the **VILLAGE OF VERNON HILLS, ILLINOIS**, an Illinois municipal corporation, located in Lake County, Illinois (the "Village") and **VHTC, LLC**, an Illinois limited liability company (the "Developer"). (The Village and the Developer are sometimes referred to individually as a "Party" and collectively as the "Parties").

RECITALS

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

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

WHEREAS, on May 9, 2006, the Village and the Developer entered into a Redevelopment Agreement to stimulate and induce redevelopment in the Redevelopment Project Area (the "Original Redevelopment Agreement"); and

WHEREAS, on July 10, 2007 the Village and the Developer executed the First Amendment to the Redevelopment Agreement ("First Amendment") to clarify and confirm certain provisions thereof; and

WHEREAS, on December 20, 2007, the Village remitted three million two thousand dollars (\$3,002,000) in bond proceeds to VHTC as partial payment of the amounts owed to VHTC on the purchase of the Half Day Inn Property pursuant to Section 5.3 of the Redevelopment Agreement.

WHEREAS, on January 8, 2008, the Village and the Developer executed the Second Amendment to the Redevelopment Agreement ("**Second Amendment**"; together with the First Amendment and the Original Development Agreement are sometimes referred to as the "**Redevelopment Agreement**").

WHEREAS, the Parties now desire to further amend the Redevelopment Agreement in order to allow the Developer to assign the Developer's Interest in the Developer's Notes pursuant to the Redevelopment Agreement (Assignment attached as **Exhibit "A"**); and

WHEREAS, this Third Amendment has been submitted to the Members of the Developer for consideration and review, the Members have taken all actions required to be taken prior to the execution of this Third Amendment in order to make the same binding upon the Developer according to the terms hereof, and any and all action of the Members of the Developer precedent to the execution of this Third Amendment have been undertaken and performed in the manner required by law; and

WHEREAS, the Village has conducted such hearings as are required to be held under the Act and all applicable law.

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

ARTICLE ONE

INCORPORATION OF RECITALS

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

ARTICLE TWO

DEFINITIONS

For the purposes of this Third Amendment, unless the context clearly requires otherwise, words and terms used in this Third Amendment shall have the same meanings as in the Redevelopment Agreement, except for the following:

"Developer's Notes" means the three (taxable or nontaxable) Tax Increment Revenue Notes (Half Day Partners Project) subject to the provisions of the Note Ordinances. The Improvements Note is hereby modified as described in **ARTICLE FOUR** of this Third Amendment. The third note ("**2nd Improvements Note**") will be issued by the Village to the Developer upon completion of all required Improvements that are not completed as of the date of the final drawdown of the Improvements Note but are required under the Redevelopment Agreement, as amended and as set forth on **Exhibit "B"**. The **2nd Improvements Note**, referred to collectively with the Half Day Inn Note and the Improvements Note as "**Developer's Notes**" shall carry an interest rate of eight percent (8%).

ARTICLE THREE

CONSTRUCTION

This Third Amendment, except where the context by clear implication shall otherwise require, shall be construed and applied the same as in the Redevelopment Agreement.

ARTICLE FOUR

MODIFICATION TO SECTION 5.2

Effective as of the date of this Third Amendment, subsection 5.2 b of the Redevelopment Agreement shall be amended to provide that the Village will redeem the Half Day Inn Note, the Improvements Note and the 2nd Improvements Note principal and Interest on or before August 1, 2012. Additionally, at the Village's sole discretion, on July 1, 2011 and thereafter, the Developer's Notes can be called at par.

ARTICLE FIVE

MODIFICATION TO SECTION 5.3

Effective as of the date of this Third Amendment, Section 5.3 of the Redevelopment Agreement shall be amended to include the following provisions:

5.3 Allocation of Costs and Expenses. Subject to the provisions of the Note Ordinance, in addition to the reimbursements provided for in the Redevelopment Agreement:

(a) The Village shall reimburse fifty percent (50%) of the construction costs associated with upsizing the lift station, which was required to complete the Water and Sewer Utilities work. Such reimbursement shall be in the amount of one hundred eighty four thousand nine hundred dollars (\$184,900);

(b) The Village shall reimburse the Developer an additional one hundred ninety five thousand one hundred dollars (\$195,100) for the acquisition costs of the Half Day Inn Property in the Improvements Note;

(c) The Improvements Note principal shall be capped at two million thirty dollars (\$2,030,000); and

(d) Subject to the Second Note Ordinance, upon issuance of all Certificates of Completion for any outstanding improvements as set forth on **Exhibit "B"**, the Village shall issue the 2nd Improvements Note in an amount not to exceed three hundred five thousand

dollars (\$305,000). Issuance of the 2nd Improvements Notes shall constitute the full extent of the Village's Financial Assistance to the Developer as it pertains to the construction of the Project.

ARTICLE SIX

ADDITIONAL DEVELOPER COVENANTS AND AGREEMENTS

Effective as of the date of this Third Agreement, Article Six of the Redevelopment Agreement shall be amended by adding the following section to Article Six of the Redevelopment Agreement:

6.9 Proceeds of Assignment of Developer's Notes. The Developer agrees to utilize the proceeds from the anticipated assignment of the Developer's Notes (Note Assignment Agreement Attached as Exhibit "A") to reduce the underlying debt on the Property held by Associated Bank or its successors. Evidence of such reduction of the debt satisfactory to the Village shall be provided to the Village prior to the Village's obligation to issue the 2nd Improvements Note.

ARTICLE SEVEN

MODIFICATION TO SECTION 11.3

Effective as of the date of this Third Agreement, Section 11.3 of the Redevelopment Agreement shall be amended by adding the following:

d. **Waiver of Events of Default** – The Village hereby agrees to treat all obligations of the Developer, under the Redevelopment Agreement, as fully performed for the sole purpose of the redemption of the Developer's Notes as described in Section 5.2 of the Redevelopment Agreement. As such, the redemption of the Developer's Notes shall be treated as an unconditional obligation.

ARTICLE EIGHT

TRANSFER OF LOT 3

Notwithstanding anything to the contrary contained in the Redevelopment Agreement, the Village does hereby (a) consent to the transfer of Lot 3 in Vernon Hills Town Center Subdivision, according to the plat thereof recorded June 16, 2008 as document 6358723 ("Lot 3"), which constitutes a part of the Property, from the Developer to VHTC LOT 3 LLC, an Illinois limited liability company ("VHTC Lot 3"); (b) consent to VHTC Lot 3's obtaining a mortgage loan (the "Loan") from Wells Fargo Bank, National Association ("Wells Fargo"), secured by the first mortgage on Lot 3 by VHTC Lot 3 in favor of Wells Fargo, for the purposes of financing construction of improvements on Lot 3; (c) agree that the Village's consent shall not be required to the following transfers or conveyances of Lot 3: (i) transfers arising from foreclosure proceedings instituted by Wells Fargo and/or its successors and assigns, (ii) transfers by deed in lieu of foreclosure to Wells Fargo and/or its successors and assigns, and/or (iii) transfers made by Wells Fargo and/or its successors and assigns to any third-party purchaser subsequent to acquisition of title to Lot 3 by Wells Fargo and/or such successors and assigns however, the Village shall be notified of all transfers or conveyances of Lot 3 described above and any owner taking title to Lot 3 in any manner described above shall acquire Lot 3 subject to the NW & SW Corners of Route 45 and 21 Town Center Redevelopment TIF Plan and the Planned Unit Development controlling development of the Property and all subsequent agreements relating to Utilities and Stormwater management entered into by and between the Village and the Developer; (d) VHTC, LLC, as Developer, shall remain solely liable for the performance of any and all Developer's covenants and obligations under the Redevelopment Agreement, including, without limitation, the Redevelopment Obligations under Article VI thereof, and such covenants and obligations shall not run with and encumber Lot 3 other than any easements that run adjacent to, or over, Lot 3, including those for any and all utilities and/or cross access for parking, ingress or egress; (e) any subsequent owner(s) of Lot 3 who take(s) title pursuant to a

transfer or conveyance described above shall not become entitled to any financial benefits under the Redevelopment Agreement; and (f) except in connection with the above-described exception, the Village shall not exercise any of its rights and remedies under or in connection with the Redevelopment Agreement, including, without limitation, the Imposition of liens under Section 11.1(l) thereof, against VHTC Lot 3, Lot 3, or Wells Fargo.

Each of the Developer and the Village represents and warrants that there exists no breach or an Event of Default under the Redevelopment Agreement by any party, and no notice of any Event of Default, failure, omission or act unpermitted under the Redevelopment Agreement has been given, nor the Developer or the Village is aware of any facts or circumstances that exist which, with the passage of time or giving of notice, or both, would constitute an Event of Default under the Redevelopment Agreement by any party thereto. The Developer and the Village acknowledge and agree that Wells Fargo is relying on this warranty and representation in making the loan to VHTC Lot 3.

ARTICLE NINE

MISCELLANEOUS PROVISIONS.

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

If to Village: Village of Vernon Hills
290 Evergreen Drive
Vernon Hills, Illinois 60061
Attn: Village Manager

With a copy to: Schaln, Burney, Ross & Citron, Ltd.
222 N. LaSalle Street, Suite 1910
Chicago, Illinois 60601
Attn: Bernard Citron

If to the Developer: VHTC, LLC
c/o The Taxman Corporation
5216 Old Orchard Road, Suite 130
Skokie, Illinois 60077
Attention: Seymour Taxman

With a copy to: Acosta Kruse & Zemenides LLC
One S. Wacker Drive, Suite 3890
Chicago, Illinois 60606
Attn: Rolando Acosta

and

Much Shelist
2030 Main Street, Suite 1200
Irvine, California 92614
Attention: Glenn D. Taxman

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

9.2 Time of the Essence. Time is of the essence of this Third Amendment.

9.3 Counterparts. This Third Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

9.4 Recordation of Amendment. The Parties agree to record this Third Amendment in the Recorder's Office of Lake County. The Village shall be the party to record the agreement upon execution of all parties.

9.5 Severability. If any provision of this Third Amendment, or any section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held to be

invalid, the remainder of this Third Amendment shall be construed as if such invalid part were never included herein, and this Third Amendment shall be and remain valid and enforceable to the fullest extent permitted by law.

9.6 Choice of Law. This Third Amendment shall be governed by and construed in accordance with the laws of the State of Illinois.

9.7 Entire Contract and Amendments. This Third Amendment (together with the exhibits attached hereto) is the entire contract and a full integration of the agreement between the Village and the Developer relating to the subject matter hereof, supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the Village and the Developer, and may not be modified or amended except by a written instrument executed by the Parties hereto.

9.8 Waiver. Any party to this Third Amendment may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Third Amendment.

9.9 Cooperation and Further Assurances. The Village and the Developer each covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better clarifying, assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the Village or the Developer or other appropriate persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Third Amendment.

9.10 Successors in Interest. This Third Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective authorized successors and assigns; provided, however, that the Developer may not assign its rights under this Third Amendment without the express written approval of the Village. Notwithstanding anything herein to the contrary, the Village may delegate its obligation hereunder.

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

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

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

9.14 Term This Third Amendment shall remain in full force and effect until May 21, 2025, unless the Redevelopment Plan with respect to the Project is extended or until termination of the Redevelopment Project Area or until otherwise terminated pursuant to the terms of this Third Amendment.

9.15 Estoppel Certificates. Each of the parties hereto agrees to provide the other, upon not less than ten (10) business days prior request, a certificate ("**Estoppel Certificate**") certifying that this Third Amendment is in full force and effect (unless such is not the case, in which such parties shall specify the basis for such claim), that the requesting party is not in default of any term, provision or condition of this Third Amendment beyond any applicable notice and cure provision (or specifying each such claimed default) and certifying such other matters reasonably requested by the requesting party.

9.16 Municipal Limitations All municipal commitments are limited to the extent required by law.

9.17 No Private Payments The Village and the Developer recognize that payments from the Developer to the Village, other than payments made by the Developer of taxes of general applicability, may be deemed to be private payments under the Internal Revenue Code of 1986, as amended (the "**Code**") and that any such payments may cause interest on the Developer's Notes, Bonds and other financing instruments not to be excludable from the gross income of the owners thereof for federal income tax purposes. Accordingly, the Village and the Developer covenant and agree that the Village will accept no payment from the Developer pursuant to any provision of this Third Amendment without first obtaining the advice of Chapman and Cutler LLP, Chicago, Illinois ("**Bond Counsel**") that such payment will not impair the status of interest on any Developer's Notes, Bond or other financing instruments issued on a tax-exempt basis under the Code, as not includable in the gross income of the owners thereof for federal income taxation purposes.

ARTICLE TEN

EFFECTIVENESS

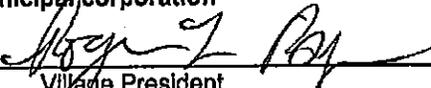
The Effective Date for this Third Amendment shall be the day on which this Third Amendment is fully executed pursuant to a duly enacted Village ordinance authorizing the execution and adoption of this Third Amendment. The Developer shall execute this Third

Amendment not later than twenty-one (21) days after Village Council authorization of execution of this Third Amendment or else this Third Amendment will be deemed void.

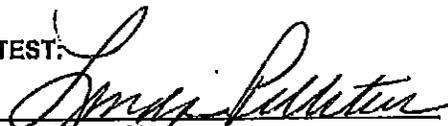
[SIGNATURE PAGE FOLLOWS]

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

VILLAGE OF VERNON HILLS, an Illinois
municipal corporation

By: 
Its: Village President

ATTEST:

By: 
Its: Village Clerk

VHTC, LLC,
an Illinois limited liability company

By: Taxman Manager LLC,
an Illinois limited liability company,
Its Manager

By: [Signature]
Seymour Taxman, a Manager

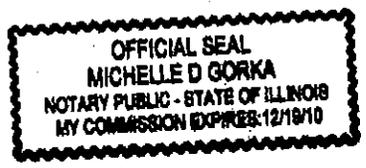
STATE OF ILLINOIS)
COUNTY OF COOK) SS.

On August 4, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared Seymour Taxman, to me known to be a manager Taxman Manager LLC, the manager of VHTC, LLC, the limited liability company that executed the foregoing instrument, and acknowledged to me that the said instrument is the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this certificate first above written.

My Commission Expires:
12-19-10

[Signature]
Notary Public
Residing at [Signature]
60076



CONSENT OF VHTC MORTGAGEE

ASSOCIATED BANK, NATIONAL ASSOCIATION, a national banking association ("**VHTC Mortgagee**"), holder of that certain Mortgage dated as of May 16, 2006, and recorded in the Recorder's Office of Lake County, in the State of Illinois, on May 26, 2005 as Document No. 5998888 (as amended from time to time, the "**VHTC Mortgage**") on the VHTC Property, hereby consents to the execution and recording of the within Third Amendment to Redevelopment Agreement and agrees that the lien of the VHTC Mortgagee under the VHTC Mortgage is and will be subject and subordinate to the terms of this Third Amendment to Redevelopment Agreement.

IN WITNESS WHEREOF, VHTC Mortgagee has caused this Consent of VHTC Mortgagee to be signed by its duly authorized officer on its behalf; all done as of August 4, 2009.

**ASSOCIATED BANK, NATIONAL ASSOCIATION,
a national banking association**

By: [Signature]
Name: Edward U. Notz
Title: Vice President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Edward U. Notz, personally known to me to be an authorized officer of ASSOCIATED BANK, NATIONAL ASSOCIATION, a national banking association (the "Bank"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered said instrument pursuant to authority given by the Bank as his/her own free and voluntary act, and as the free and voluntary act and deed of the Bank, for the uses and purposes therein set forth.

Given under my hand and official seal as of August 4, 2009.

Mary Jean Haley
Notary Public

SEAL



EXHIBITS

EXHIBIT A DEVELOPER'S NOTES ASSIGNMENT AGREEMENT

EXHIBIT B UNFINISHED IMPROVEMENTS

EXHIBIT A

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (this "Agreement") is made and entered into as of the ___ day of _____, 2009 ("Agreement Date") by and between the **VILLAGE OF VERNON HILLS, ILLINOIS**, an Illinois municipal corporation, located in Lake County, Illinois (the "Village"), **VHTC, LLC**, an Illinois limited liability company (the "Developer"), and _____ (the "Assignee") (The Village, the Developer and the Assignee are sometimes referred to individually as the "Party" and collectively as the "Parties").

RECITALS

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

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

WHEREAS, on May 9, 2006, the Village and the Developer entered into a redevelopment agreement, amended July 10, 2007, January 8, 2008 and August 4, 2009 (Village ordinance numbers 2006-37, 2007-42, 2008-004 and 2009-040 respectively) (collectively, the "Redevelopment Agreement"), to stimulate and induce redevelopment in the Redevelopment Project Area; and

WHEREAS, the Developer desires to assign the Developer's Notes, their financial benefits and the financial obligation of the Village under the Redevelopment Agreement to the Assignee, and the Assignee desires to accept these assignments; and

WHEREAS, The Developer does not intend to assign its obligations under the Redevelopment Agreement nor does the Assignee intend to accept such obligations under the Redevelopment Agreement; and

WHEREAS, this Agreement has been submitted to the Members of the Developer for consideration and review, the Members have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the Developer according to the terms hereof, and any and all action of the Members of the Developer precedent to the execution of this Agreement have been undertaken and performed in the manner required by law; and

WHEREAS, the Village has conducted such hearings as are required to be held under the Act and all applicable law.

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

ARTICLE ONE

INCORPORATION OF RECITALS

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

ARTICLE TWO

DEFINITIONS

For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Agreement shall have the same meanings as in the Redevelopment Agreement.

ARTICLE THREE

CONSTRUCTION

For purposes of this Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied the same as in the Redevelopment Agreement.

ARTICLE FOUR

ASSIGNMENT AND ASSUMPTION

4.1 **Developer's Notes.** The Developer hereby conveys, assigns, transfers and delivers to Assignee all of its rights, title and interest in and to the Developer's Notes, and Assignee hereby accepts the assignment from Developer of all of its rights, title and interest in the Developer's Notes and accepts all of the rights as set forth in the Developer's Notes. Copies of the Developer's Notes are attached hereto as Exhibit "A".

4.2 **Village Funding under the Redevelopment Agreement.** The Developer hereby conveys, assigns and transfers to Assignee all of its rights, title and interest in and to any additional Village funding due to Developer pursuant to the Redevelopment Agreement, including, but not limited to, the Village's redemption of the Developer's Notes on or before August 1, 2012 (callable at par on or after July 1, 2011) pursuant to Section 5.2 of the Redevelopment Agreement. Assignee hereby accepts the assignment from the Developer of all of its rights, title and interest in and to any Village funding due to Developer pursuant to the

Redevelopment Agreement. A copy of the Redevelopment Agreement is attached hereto as Exhibit "B".

4.3 **Default under the Redevelopment Agreement.** All events of default and remedies thereof described in Section 11 of the Redevelopment Agreement have been waived by the Village solely with regards to the Village's obligation to redeem the Developer's Notes on or before August 1, 2012 pursuant to Section 5.2 of the Redevelopment Agreement and the terms of this Agreement.

ARTICLE FIVE

MISCELLANEOUS PROVISIONS

5.1 **Cancellation.** In the event the Developer or the Village or the Assignee shall be prohibited, in any material respect, from performing covenants and agreements or enjoying the rights and privileges herein contained, or contained in the Redevelopment Plan, including the Developer's duty to build the Project, by the order of any court of competent jurisdiction, or in the event that all or any part of the Act or any ordinance adopted by the Village in connection with the Project, shall be declared invalid or unconstitutional, in whole or in part, by a final decision of a court of competent jurisdiction and such declaration shall materially affect the Redevelopment Plan or the covenants and agreements or rights and privileges of the Developer or the Village or the Assignee, then and in any such event, the party so materially affected may, at its election, cancel or terminate this Agreement in whole or in part (with respect to that portion of the Project materially affected) by giving written notice thereof to the other. The Village agrees that it will not proactively seek such a decision. If the Village terminates this Agreement pursuant to an order of a court with competent jurisdiction as described above, to the extent it is then appropriate, the Village, at its option, may also terminate its duties, obligation and liability under all or any related documents and agreements.

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

If to Village: Village of Vernon Hills
290 Evergreen Drive
Vernon Hills, Illinois 60061
Attn: Village Manager

With a copy to: Schain, Burney, Ross & Citron, Ltd.
222 N. LaSalle Street, Suite 1910
Chicago, Illinois 60601
Attn: Bernard I. Citron

If to the Developer: VHTC, LLC
c/o The Taxman Corporation
5215 Old Orchard Road, Suite 130
Skokie, Illinois 60077
Attn: Seymour Taxman

With a copy to
Placement Agent: Oppenheimer & Co. Inc.
50 South 6th Street, Suite 1300
Minneapolis, MN 55402

and

Much Shelist
2030 Main Street, Suite 1200
Irvine, California 92614
Attention: Glenn D. Taxman

If to the Assignee: _____

Attn: _____

With a copy to: _____

Attn: _____

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

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

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

5.5 Recordation of Agreement. The Parties agree to record this Agreement in the Recorder's Office of Lake County.

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

5.7 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

5.8 Entire Contract. This Agreement (together with the exhibits attached hereto) is the entire contract and a full integration of the agreement between the Village, the Developer and the Assignee relating to the subject matter hereof, supersedes all good, prior

and contemporaneous negotiations, understandings and agreements, written or oral, between the Village, the Developer and the Assignee, and may not be modified or amended except by a written instrument executed by the Parties hereto.

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

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

5.11 Successors In Interest. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective authorized successors and assigns; provided, however, that the Assignee may not assign its rights under this Agreement without the express written approval of the Village. Notwithstanding anything herein to the contrary, the Village may delegate its obligation hereunder.

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

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

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

5.15 Term This Agreement shall remain in full force and effect until May 21, 2025, unless the Redevelopment Plan with respect to the Project is extended or until termination of the Redevelopment Project Area or until otherwise terminated pursuant to the terms of this Agreement.

5.16 Municipal Limitations All municipal commitments are limited to the extent required by law.

ARTICLE SIX

EFFECTIVENESS

The Effective Date for this Agreement shall be the day on which this Agreement is fully executed pursuant to a duly enacted Village ordinance authorizing the execution and adoption of this Agreement. The Developer and the Assignee shall execute this Agreement not later than twenty-one (21) days after Village Board authorization of execution of this Agreement or else this Agreement will be deemed void.

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

**VILLAGE OF VERNON HILLS, an Illinois
municipal corporation**

By: _____
Its: Village President

ATTEST:

By: _____
Its: Village Clerk

VHTC, LLC,
an Illinois limited liability company

By: Taxman Manager LLC,
an Illinois limited liability company,
its Manager

By: _____
Seymour Taxman, a Manager

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On _____, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared **Seymour Taxman**, to me known to be a manager Taxman Manager LLC, the manager of VHTC, LLC, the limited liability company that executed the foregoing instrument, and acknowledged to me that the said instrument is the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this certificate first above written.

My Commission Expires:

Notary Public

Residing at _____

CONSENT OF VHTC MORTGAGEE

ASSOCIATED BANK, NATIONAL ASSOCIATION, a national banking association ("**VHTC Mortgagee**"), holder of that certain Mortgage dated as of May 15, 2006, and recorded in the Recorder's Office of Lake County, in the State of Illinois, on May 26, 2005 as Document No. 5998888 (as amended from time to time, the "**VHTC Mortgage**") on the VHTC Property, hereby consents to the execution and recording of the within Assignment Agreement and agrees that the lien of the VHTC Mortgagee under the VHTC Mortgage is and will be subject and subordinate to the terms of this Assignment Agreement.

IN WITNESS WHEREOF, VHTC Mortgagee has caused this Consent of VHTC Mortgagee to be signed by its duly authorized officer on its behalf; all done as of _____, 2009.

ASSOCIATED BANK, NATIONAL ASSOCIATION,
a national banking association

By: _____
Name: _____
Title: _____

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be an authorized officer of ASSOCIATED BANK, NATIONAL ASSOCIATION, a national banking association (the "Bank"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered said instrument pursuant to authority given by the Bank as his/her own free and voluntary act, and as the free and voluntary act and deed of the Bank, for the uses and purposes therein set forth.

Given under my hand and official seal as of _____, 2009.

Notary Public

SEAL

EXHIBIT "A"
DEVELOPER'S NOTES

[Attached]

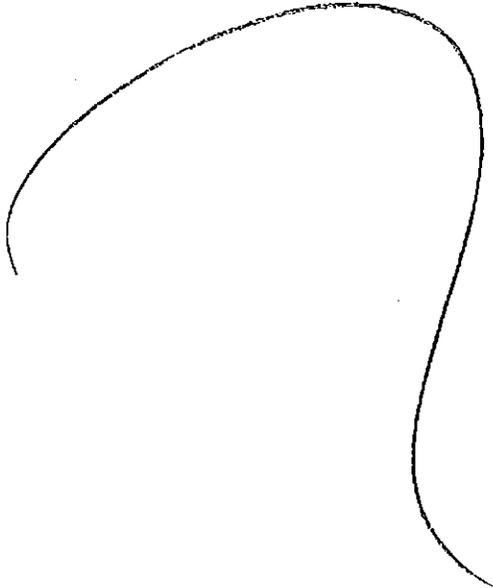


EXHIBIT "B"
REDEVELOPMENT AGREEMENT

[Attached]

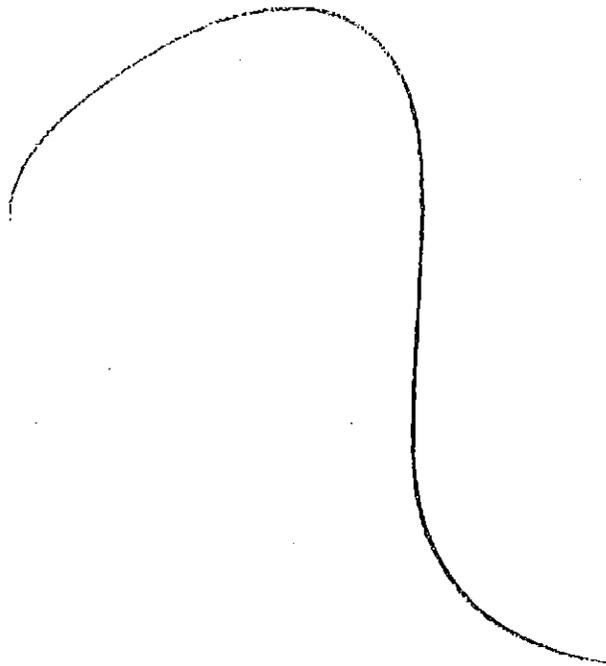


EXHIBIT B

The remaining items are to be completed. Ancillary items such as General Conditions & Overhead, Record Drawings, Professional Services, Surveying and Material Testing to complete said items are included. Retainage monies due to contractors will also be covered by the second note. May 26, 2009 Spreadsheet titled, "Vernon Hills Town Center- TIF Reimbursement Analysis" updated 6/2/09 is hereby referenced.

Town Center Road & North South Roads

1. Punchlist completion and adjustment of underground utilities.
2. Replacement of concrete curb and gutter.
3. Pavement patching.
4. Completion of final asphalt surface course placement and pavement markings.

Entry Feature/ Detention Pond on Lot 5

1. Installation of the Entry Monument Masonry and wall cap.
2. Installation of the Lot 5 landscaping and irrigation system.
3. Installation of retaining wall decorative fencing.
4. Placement of the landscape lighting/tree lights along the westerly retaining wall.
5. Installation of fountain, non-potable well drilling and appurtances & regrading of area impacted by its installation.
6. Completion of underground conduit work and artwork.

Town Center Rd Intersection Improvements @ Routes 21 & 45

1. Installation of the bike path and regrading.
2. Installation of an irrigation system in the ROW.
3. Restoration of the ROW.
4. Installation of signage.
5. Completion of installation of landscaping/brickpaver consistent with Village Board approvals.