	AGENDA ITEM EXECUTIVE SUMMARY						
	Title:	Recommendation to approve TIF Redevelopment Agreement (RDA) between St. Charles – 333 North Sixth Street, LLC (Lexington Club redevelopment) and the City of St. Charles.					
	Presenter:	Chris Aiston					
Please check appropriate box:							
	Government Operations				Government Services		
X	Planning & Development (12/10/12)				City Council		
Estimated Cost:			Budgeted:	YES	NA	NO	
If NO, please explain how item will be funded:							
Executive Summary:							
<p>Lexington Club is requesting the City of St. Charles establish a Tax Increment Financing District in support of a residential development proposed for the former Applied Composites industrial property, generally located between 6th and 12th Avenues and between State Street and the Union Pacific Rail Road ROW.</p> <p>At the November 12th meeting of the Planning & Development Committee, staff made a recommendation to approve a TIF Redevelopment Agreement (RDA) between St. Charles – 333 North Sixth Street, LLC (Lexington Club redevelopment) and the City of St. Charles. After discussion, the matter was continued in order to allow city staff to reconvene the Joint Review Board (JRB) for the purpose of reviewing the TIF and to give members of the general public the opportunity to address the topic with the members of the JRB.</p> <p>The JRB meeting is scheduled for December 5th. Pending the outcome of the meeting, the City will be poised to give final approval to the TIF and the proposed Redevelopment Agreement.</p>							
Attachments: <i>(please list)</i>							
Agenda item from November 12, 2012 P&D Committee meeting - List of Pertinent Agreement Terms; Ordinance Authorizing the Mayor and City Clerk to execute the RDA on behalf of the City; Lexington Club Redevelopment Agreement							
Recommendation / Suggested Action <i>(briefly explain):</i>							
Recommend that the Planning & Development Committee recommend that the City Council approve the an Ordinance authorizing the Mayor and City Clerk to execute the Agreement with St. Charles – 333 North Sixth Street, LLC.							
For office use only		Agenda Item Number: 5c					

General Terms for Lexington Club Proposed Tax Increment Financing Redevelopment Agreement (RDA)

A. LEXINGTON CLUB OBLIGATIONS

1. Demolish existing structures on subject property, remediate environmental hazards, level subject property to create development-ready site, and construct the Lexington Club project (up to 102, but no less than, 100 2-Story Townhomes and up to 28, but no less than, 27 Single Family Detached Homes).
2. Submit a complete application for Final Subdivision and PUD Plat Approval, as to commence redevelopment of subject property within sixty (60) days of City Council approval of Preliminary PUD.
3. Successfully enroll property in Illinois Environmental Protection Agency's Site Remediation Program within 240 days of receiving City Council approval of Final Subdivision and PUD Plat.
4. Remediate Recognized Environmental Concerns and take all necessary actions to obtain Final No Further Remediation (NFR) letter or letters from the Illinois Environmental Protection Agency.
5. Make the following off-site required public improvements:
 - a. Install 10-inch water main generally along Mark Street from 6th to 9th Streets, along 9th Street south to State Street, continuing to water main near Dean St., looping the site per City code.
 - b. Construct full improvement of 9th Street from State Street north into subject property, per City standards.
 - c. Construct 5-foot sidewalk on north side of State Street, between 7th and 9th Streets.
 - d. Construct missing sidewalk segments on 7th Street, north of State Street.
6. Substantially complete all on-site public improvements for project (e.g., water, electric, storm and sanitary sewer utilities, roads) by October 15, 2016.
7. Per the approved PUD, Lexington will convey to the St. Charles Park District a .09-acre parcel fronting on 9th Street shown. The remainder of the Park and School contribution shall be provided as cash in lieu of land contribution in accordance with the provisions of Title 16 of the St. Charles Municipal Code. If the bedroom count used to calculate the initial cash contribution changes, the amount of the contribution shall be adjusted at the time of building permit.
8. Prior to the 65th occupancy permit, Lexington shall deposit with the City a cash contribution of \$200,000 to be used for off-site street or intersection improvements, at the sole discretion of the City Council.
9. Lexington shall complete the Project no later than December 31, 2021.

B. CITY OBLIGATIONS

1. City shall deposit all Tax Increment revenues into a specially designated TIF Fund, per statute.
2. City shall issue a "Placeholder Note" upon execution of the Agreement to evidence the City's commitment to providing TIF support for the project
3. When the developer has submitted, and City has approved, Certificates of Cost and proof of payment of same, the City will issue Notes to document the obligation to reimburse the developer from TIF proceeds that are deposited in the TIF Fund. .
 - a. Notes shall payable solely from the monies deposited in the aforementioned TIF fund.
 - b. Notes do not constitute a general obligation of the City, nor shall they be secured by the full faith and credit of the City.
4. Notes shall be redeemed only as TIF funds are available.
5. Once Tax Increment is deposited into TIF fund, City shall disburse such monies as follows:

- a. First to pay, or allocate amounts sufficient to satisfy state set-aside for school and library districts.
 - b. Next, to pay or allocate amounts sufficient to satisfy reasonable/necessary City costs (professional consulting, legal, financial, administrative, etc.)
 - c. Next, to pay interest and mandatory redemption payments on Note(s).
 - d. To reimburse developer's costs
6. Total of reimbursement, not including interest, shall not exceed \$6,000,000 or actual costs, whichever is the less.
7. Reimburse developer in an amount not to exceed \$97,300 for off-site extension and installation of approximately 800 feet of 10-inch water main along west side of 9th Street and the north side of State Street.

City of St. Charles, Illinois
Ordinance No. _____

**An Ordinance Authorizing the Mayor and City Clerk to enter into a Certain
Lexington Club Development Agreement Regarding the City of St. Charles
Lexington Club Redevelopment Project Area**

**Presented & Passed by the
City Council on _____**

WHEREAS, the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois (the "City") has heretofore determined that it is necessary and advisable for the public health, safety, welfare and convenience of residents of the City that the City undertake a redevelopment project and have heretofore approved a redevelopment plan (the "Plan") and designated a redevelopment project area (the "Project Area") for that portion of the City known as the City of St. Charles Lexington Club Redevelopment Project Area, all as authorized by the Tax Increment Allocation Redevelopment Act, as amended; and,

WHEREAS, it is desirable and in the best interest of the residents of the City for the City to enter into a development agreement (the "Agreement") with St. Charles – 333 North Sixth Street, LLC (the "Developer") regarding a portion of said Project Area, in furtherance of the Plan; and

WHEREAS, the Agreement is on file with the City Clerk of the City and available for public inspection.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of St. Charles, Kane and Du Page Counties, Illinois, as follows:

Section 1. That the Mayor and City Clerk be and the same are hereby authorized to execute the Agreement between the City and the Developer, in substantially the form attached hereto as Exhibit "A", and, by this reference, incorporated herein.

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto
ASSINGEE of NOTE _____

the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said
Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered
Owner as it appears upon the face of the Note in every particular, without alteration or
enlargement or any change whatever.

Consented to as of: _____

City of St. Charles, Illinois

By: _____

Title: _____

Finance Director

LEXINGTON CLUB REDEVELOPMENT AGREEMENT

This Lexington Club Redevelopment Agreement (hereinafter referred to as the “Agreement”) is made and entered into as of the ____ day of _____, 2012, by and between the City of St. Charles, a municipal corporation, organized and incorporated under the laws of the State of Illinois and St. Charles – 333 North Sixth Street, LLC, an Illinois limited liability company.

RECITALS

A. Pursuant to the terms of a Redevelopment Plan entitled “Lexington Club Redevelopment Project Area Redevelopment Plan and Project”, dated January 10, 2012 (as amended from time to time, hereinafter referred to as the “Redevelopment Plan”), the City designated a certain area within its municipal limits for redevelopment and revitalization. Part of the Lexington Club Redevelopment Project Area which is the subject matter of this Agreement (the “Site”) in said Redevelopment Plan is outlined on Exhibit “A” and legally described on Exhibit “B”, which Exhibits are attached hereto and made a part hereof.

B. The Redevelopment Plan recites that the Lexington Club Redevelopment Project Area is characterized by conditions which warrant the designation of portions of the area as a “conservation area” and the remaining portions of the area as a “blighted area”, as such terms are defined in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*, as amended (the “Act”). The Redevelopment Plan further recites that City is desirous of having the Site redeveloped and revitalized as a vibrant residential district in order to strengthen the City’s economic base and enhance the quality of life of the City as a whole.

C. The Developer, in accordance with the Redevelopment Plan, will construct a residential development consisting of up to 102, but not less than 100, two-story townhomes, and up

to 28, but not less than 27, single family detached homes and install certain Required Public Improvements, all as more fully described on Exhibit “C” attached hereto and made a part hereof (the “Project”).

D. The City has the authority to promote the health, safety and welfare of its inhabitants, to prevent the onset of blight while instituting conservation measures, and to encourage private development in order to enhance the local tax base, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes.

E. The City is authorized under the provisions of the Act to finance eligible redevelopment project costs in accordance with the conditions and requirements set forth in the Act.

F. To stimulate the redevelopment of the Area, and pursuant to the Act, the corporate authorities of the City passed the following Ordinances: (1) Ordinance No. _____, “An Ordinance Of The City Of St. Charles, Kane And Du Page Counties, Illinois, Approving A Tax Increment Redevelopment Plan And Redevelopment Project For The Lexington Club Redevelopment Project Area”; (2) Ordinance No. _____, “An Ordinance Of The City Of St. Charles, Kane And Du Page Counties, Illinois, Designating The Lexington Club Redevelopment Project Area A Redevelopment Project Area Pursuant To The Tax Increment Allocation Redevelopment Act”; (3) Ordinance No. _____, “An Ordinance Of The City Of St. Charles, Kane And Du Page Counties, Illinois, Adopting Tax Increment Allocation Financing For The Lexington Club Redevelopment Project Area” (the Ordinances together with the exhibits appended thereto are sometimes hereinafter collectively referred to as the “Ordinances”).

G. The City Council of the City has determined that the construction of the Project would be, in all respects, consistent with and in furtherance of the Redevelopment Plan.

H. The City Council has further determined that a deviation from the requirements under Chapter 17.18 of the City's Zoning Ordinance pertaining to affordable dwelling units and the payment or reimbursement of a portion of the Redevelopment Costs, as hereinafter more fully defined, would promote the development of the Project consistent with the purposes of the Act, the Redevelopment Plan, the Ordinances, and this Agreement.

In consideration of the foregoing recitals and the covenants and conditions hereinafter set forth, and for other good and valuable consideration, the adequacy and sufficiency of which the Parties hereby stipulate, the Parties hereby agree as follows:

Section 1. Incorporation of Recitals. The foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section 1, and this Agreement shall be construed in accordance therewith.

Section 2. Definitions. For purposes of this Agreement, the capitalized terms not otherwise defined in this Agreement shall have the following meanings:

“Applicable Laws” – means any and all applicable Federal, State and local laws, statutes, ordinances, rules, regulations and executive orders applicable to the Project as the same may, from time to time, be in force and effect, including, but not limited to, the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.* the Environmental Barriers Act, 410 ILCS 25/1 *et seq.*, and the Fair Housing Act, 42 U.S.C. 3601, *et seq.* and all amendments thereto.

“Area” - means the Lexington Club Redevelopment Project Area, as designated in Ordinance No. _____ of the City.

“Budget” - means the Developer's estimate of the costs of the Project, as more fully described in Section 6 hereof.

“Certificate of Completion” – means a certificate issued by the City in a recordable form upon completion of construction in compliance with the terms and conditions of this Agreement that certifies the Developer has fulfilled its obligation to complete the Project in compliance with the terms and conditions of this Agreement.

"Certificate of Redevelopment Costs" - means the certificate provided by the Developer to the City in accordance with this Agreement and evidencing Redevelopment Costs incurred by the Developer, as more fully described in Section 9(b) hereof.

“Charges” – means all generally applicable Federal, State and local governmental (or any instrumentality, division, agency, body or department thereof) taxes, levies, assessments, charges, fees, liens, claims or encumbrances or non-governmental claims or liens upon and/or relating to the Site, the Project, Developer’s business, Developer’s income and/or gross receipts and insurance premiums due on any policy or policies of insurance required pursuant to Section 12 hereof.

“City” - means the City of St. Charles, a municipal corporation organized and incorporated under the laws of the State of Illinois.

“Control Documents” – means all of the terms and conditions of this Agreement, the Ordinances, the Applicable Laws, the Zoning Approval Ordinance and each and every exhibit attached to and incorporated in any of the foregoing documents, the Plans and Specifications, and any required permits issued by City or other governmental body, as any of the same may from time to time be duly and lawfully amended.

“Cure Period” – means the period of forty five (45) days after an Event of Default within which the defaulting Party may remedy the default as further described in Section 10(g).

“Developer” - means St. Charles – 333 North Sixth Street, LLC, it successors and assigns, and any trustee under any title-holding trust which shall, during the term of this Agreement, hold

legal title to any portion or all of the Site, but not including any subsequent owners of individual residential units.

“Fund” - means the City of St. Charles Lexington Club Redevelopment Project Area Special Tax Allocation Fund.

“Net TIF Proceeds” - means tax funds deposited into the Fund attributable to the parcel identification numbers (P.I.N.s) of the Site, minus those funds paid or set aside pursuant to Section 9(d)(i) and (ii) hereof.

“Party” or “Parties” - means the City and/or the Developer.

“Project” - means the redevelopment project described in Exhibit “C” hereto and the Required Public Improvements.

“Redevelopment Costs” - means eligible “redevelopment project costs” as defined in the Act, and as identified in Exhibit “D” attached hereto and incorporated herein.

“Required Public Improvements” - means the public land improvements, both on-site and off-site, described in the Improvement Agreement and the final engineering plans.

“Tax Increment” - means real estate revenues generated from time to time within the Site, if any, which are attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Area over and above the initial equalized assessed value of each property in the Site, as certified by the Kane County Clerk.

“Zoning Approval Ordinance” – means the ordinance passed by the City granting the rezoning and special use approval necessary to proceed with construction of the Project, as may be amended from time to time.

Section 3. Developer’s Covenants, Representations and Warranties. The Developer covenants, represents and warrants to the City as follows:

(a) *Charges.* Developer shall pay promptly when due all proper and lawful Charges arising or incurred from and after the date hereof with respect to the Site and the Project.

(b) *Organization and Authority.* The Developer is a duly organized and existing limited liability company organized and existing in good standing under the laws of the State of Illinois, and has the authority to enter into, execute, deliver and perform this Agreement.

(c) *Progress Reports.* Until construction of the Project is complete, the Developer shall make quarterly progress reports to the City regarding the Project by the first day of January, April, July and October of each year. Said reports shall include an updated construction schedule and shall be in the form attached hereto and incorporated herein as Exhibit "E".

(d) *Right of Inspection.* The Developer hereby agrees to permit the City's authorized agents and employees to, during the normal business hours, inspect the Project as it is being constructed. If the City desires to inspect an occupied unit once a certificate of occupancy has been issued for said unit, it may only do so upon the agreement of the unit owner or occupant, or as otherwise permitted by law.

(e) *No Discrimination.* The Developer, in connection with the construction of the Project, shall comply with the fair employment/affirmative action provisions set forth in the Redevelopment Plan and as required by the Act and Applicable Laws (as hereinafter defined).

(f) *Miscellaneous Developer Covenants.* (i) The Developer is now solvent and able to pay its debts as they mature; (ii) Developer, upon due inquiry, is unaware of any actions at law, in equity or similar proceedings which are pending or threatened against the Developer, which are reasonably likely to be adversely determined and result in any material and adverse change to the Developer's financial condition, or materially affect the Developer's assets as of

the date of this Agreement; (iii) the Developer has or will obtain all required government permits, certificates, consents (including, without limitation, appropriate environmental clearances and approvals) necessary to permit Developer to construct, occupy and operate the Project; (iv) no default has been declared with respect to any indenture, loan agreement, mortgage, deed or other similar agreement relating to the borrowing of moneys to which the Developer is a Party or by which it is bound which has not been cured or which is reasonably likely to result in a material and adverse change to the Developer; and (v) there has been no material and/or adverse change in the assets, liabilities or financial condition of the Developer other than as a result of the ordinary and customary conduct of its business; (vi) the execution and delivery of this Agreement by the Developer, and the performance of this Agreement by Developer, have been duly authorized by Developer, and this Agreement is binding on Developer and enforceable against Developer in accordance with its terms; (vii) no consent of any creditor, investor, judicial or administrative body, governmental authority or other Party to such execution, delivery and performance is required; (viii) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will (a) result in a breach of, default under, or acceleration of, any agreement to which Developer is a Party or by which Developer is bound; or (b) violate any restriction, court order or agreement to which Developer is subject.

Section 4. City's Covenants. The City covenants, represents and warrants to the Developer as follows: (a) the City has authority pursuant to the Act to execute and deliver and perform the terms and obligations of this Agreement; (b) the execution and delivery of this Agreement by the City, and the performance of this Agreement by the City, have been duly authorized by the corporate authorities of the City, and this Agreement is binding on the City and

enforceable against the City in accordance with its terms; (c) no consent of any creditor, investor, judicial or administrative body, governmental authority or other Party to such execution, delivery and performance is required; (d) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in a breach of, default under, or acceleration of, any agreement to which the City is a Party or by which the City is bound; or (ii) violate any restriction, court order or agreement to which the City is subject.

Section 5. Remedies Upon Failure To Complete. If the Developer fails to timely comply with the Enrollment Completion Date, or thereafter, the Required Public Improvement Completion Date or the Project Completion Date, as those terms are defined in Section 7(g), in compliance with the terms of this Agreement, then the City will have, but will not be limited to, the right to terminate this Agreement upon written notice to the Developer and cease all reimbursement of Redevelopment Costs not yet reimbursed under this Agreement.

Section 6. Budget; Evidence of Financing. Attached hereto and incorporated herein as Exhibit “F” is the Budget setting forth the Developer’s best estimate of the costs of the Project and indicating Redevelopment Costs.

Prior to commencing construction on the Project, the Developer shall submit documentation in a form satisfactory to the City evidencing the Developer's equity contribution to the Project and a commitment from a bank or other financial institution to finance the remaining costs of the Project.

Section 7. Approval and Construction of the Project.

(a) *Zoning.* Construction of the Project is contingent upon the passage of the Zoning Approval Ordinance, a copy of which is attached hereto as Exhibit “G”. All provisions of the Zoning Approval Ordinance, as from time to time duly and lawfully amended, are hereby

incorporated into and made a part of this Agreement as though they were fully set forth herein. Minor changes and authorized administrative changes, as those terms are defined in the City's Zoning Ordinance, may be made regarding the Project without amendment to this Agreement if the City determines, in its sole discretion, that such changes are not inconsistent with this Agreement. Major changes, as defined in the City's Zoning Ordinance, shall not be made without amendment of this Agreement.

(b) *Submission of Final Plat Approval Application; Plans and Specifications; Permit Applications.* Developer shall submit a complete application for Final Subdivision and PUD Plat approval within sixty (60) days following the date the City Council passes the Zoning Approval Ordinance.

Prior to the issuance of the initial building permit for the Project, the Developer shall submit complete building plans, engineering plans and construction documents containing working drawings and specifications to the City for review and approval in such form as the City customarily requires (the "Plans and Specifications") prepared in accordance with the other Control Documents.

The Developer shall also file all required applications and supporting documentation as may be necessary to secure any permit required to be issued by any other unit of government whose approval is a necessary precondition to Developer's right to construct the Project.

(c) *Environmental Remediation.* The Developer shall take all necessary actions to obtain a "Final No Further Remediation" letter or letters from the Illinois Environmental Protection Agency ("IEPA") for the entire Site. Following the issuance of "Draft No Further Remediation" letter(s) for the Site, as described elsewhere, the Developer shall, on a quarterly basis as part of the progress reports required by Section 3(c) hereof, keep the City apprised of activities it has undertaken in order to obtain the "Final No Further Remediation" letter(s) for the Site.

No building permits shall be issued by the City until (i) the demolition phase of the Project has been completed, (ii) a “Draft No Further Remediation” letter has been issued by the IEPA for the portion of the Project for which permits are requested, and (iii) the Developer’s environmental consultant, Huff & Huff, has submitted a certification to the City that the required pre-construction remedial work for such portion has been satisfactorily completed.

(d) *Construction of Project in Conformance with Control Documents.* Developer shall construct the Project in conformance with, and, in connection therewith, shall be governed by, adhere to and obey, the Control Documents.

To the extent required by law, the Developer shall comply with, and shall require its contractor to comply with, the Illinois Prevailing Wage Act, 820 ILCS 130/.01 *et seq.* (the “PWA”). The Developer hereby agrees to indemnify and hold the City harmless from all liability, loss, cost, fine, penalty, interest or other expense, including court costs and attorneys' fees relating to any such judgments, awards, litigation, suits, demands or proceedings that may result from any failure by the Developer or its contractors or subcontractors to comply with the PWA.

(d) *Competitive Proposals for Construction of Project.* The Developer shall cause its General Contractor to obtain competitive proposals from at least three (3) qualified firms for contracts regarding work comprising the Redevelopment Costs, and shall prepare a written memorandum documenting its reasons for selecting the successful firm.

(e) *Diligence.* Developer shall, after obtaining all required approvals, construct the Project with due diligence. At the time of application for Final Subdivision and PUD Plat approval, as referenced in (b) above, the Developer shall submit its anticipated construction schedule.

(f) *Covenant to Construct all Required Public Improvements.* The Developer shall cause the Required Public Improvements to be constructed by the Required Public Improvement Completion Date, as defined in subsection (g) below. Prior to the issuance of the first building permit for the Project, the Developer shall submit an executed copy of the City's standard Developer's Undertaking/Improvement Agreement (the "Improvement Agreement") and submit the financial guarantee/performance security required therein.

In addition to the on-site Required Public Improvements, the Developer shall construct the following off-site Required Public Improvements:

- (i) Installation of a 10 inch water main generally along Mark Street from 6th Street to 9th Street, along 9th Street south to State Street, continuing to the existing 10" water main near Dean Street, to complete a 10" water main loop through the Site.
- (ii) Full improvement of 9th Street from State Street north into the Site, improved to the same standards as the streets within the development, including curb and gutter, storm sewer, sidewalks, street trees, and street lighting.
- (iii) Installation of a 5 ft. wide sidewalk on the north side of State Street, between 9th and 7th Streets, connecting to existing sidewalks at both intersections.
- (iv) Installation of missing sidewalk segments on 7th Street north of State Street.

With respect to the Developer's offsite extension and installation of the approximately 800 feet of ten inch (10") water main along the west side of 9th Street and the north side of State Street, as identified on the preliminary engineering plans approved as part of the Zoning Approval Ordinance, the City shall reimburse the Developer for the actual cost to install the portion of the water main located offsite, subject to the limitations, terms and conditions of the Zoning Approval Ordinance.

Upon completion of any Required Public Improvement and, further, upon (i) receipt and approval of record drawings by the City, and (ii) the submission to the City of a certificate from the engineering firm employed by Developer stating that the said Required Public Improvement has been completed in conformance with the Plans and Specifications, the City shall, within thirty (30)

days after the City receives the aforesaid certification from the Developer's engineer, either (i) finally accept said Required Public Improvement, or (ii) designate in writing to Developer all corrections or alterations which shall be required to obtain a recommendation of final acceptance of said Required Public Improvement, specifically citing sections of the Plans and Specifications relied upon by the City.

Should the City reject any Required Public Improvement, or any portion or segment thereof, for a recommendation of final acceptance, the Developer shall cause to be made to such Required Public Improvement such corrections or modifications. The Developer shall cause the Required Public Improvements to be submitted and resubmitted as herein provided until the City shall finally accept same. No Required Public Improvement shall be deemed to be finally accepted until the City shall finally accept same.

In addition to all other requirements of this subsection, for those on-site Required Public Improvements that the Developer is required to convey to the City pursuant to an Improvement Agreement, the City shall not take title until such time as (i) a "Draft No Further Remediation" letter by the IEPA has been issued for the area surrounding such improvement, and (ii) the Developer's environmental consultant, Huff & Huff, has submitted a certification to the City that the required remedial work for such area has been satisfactorily completed.

(g) *Time for Completion.* The Developer shall complete the following components of the Project no later than the dates hereinafter provided:

- (i) **Site Remediation Program Enrollment:** The Developer shall perform all things necessary and appropriate to cause the Project to be enrolled with the IEPA in a Site Remediation Program within 240 days following the date the City records the Final Plat of Subdivision ("Enrollment Completion Date").
- (ii) **Required Public Improvements:** The Developer shall substantially complete all Required Public Improvements by October 15, 2016. For purposes of this subsection, "substantially complete" means that the construction of all Required

Public Improvements is complete other than: sidewalks, final lift of asphalt, parkway landscaping and punch list items (“Required Public Improvement Completion Date”).

- (iii) Project Completion: The Developer shall complete construction of the Project no later than December 31, 2021 (“Project Completion Date”).

Upon completion of construction of the Project, and at the request by the Developer, the City shall issue a Certificate of Completion in a recordable form indicating that the Developer has completed its obligations under this Agreement. Notwithstanding the foregoing, the Developer shall not be entitled to the Certificate of Completion until such time as a “Final No Further Remediation” letter or letters has or have been issued by the IEPA for the entire Site.

Section 8. Fees. Developer shall pay, in connection with the development of the Project and the construction of the Required Public Improvements, such demolition, building or excavation permit fees, engineering, connection or tap-on fees, charges and inspection fees, any cash in lieu of property donation requirements for school and park purposes or any other permit or license (hereinafter the “Fees”) that are assessed on a uniform basis throughout the City and are of general applicability to other property within the City or this Agreement, except to the extent otherwise provided in the Zoning Approval Ordinance.

Section 9. Financing of Project Costs.

(a) *Developer’s Cost.* Subject to payment or reimbursement of certain Redevelopment Costs by the City as hereinafter provided, the Developer shall be responsible for the entire cost of constructing the Project. Should the actual cost or expense of construction of any item constituting a Redevelopment Cost be greater than the amount set forth in Exhibit D, the Developer shall be required to pay such excess cost. Notwithstanding the foregoing, if actual costs for a particular line item shown in Exhibit D exceed the line item amount, the City shall reimburse Developer for such excess cost so long as the total amount reimbursed to the Developer does not exceed \$6,000,000.

The City reserves the right to examine all records relating to all costs paid by the Developer and to obtain from such consultants or experts as the City determines to be appropriate, such other information as is necessary for the City to evaluate compliance by the Developer with the terms hereof.

(b) *Reimbursement for Redevelopment Costs; Placeholder Note.* Subject to the terms and conditions of this Agreement and the Act, the City hereby pledges Net TIF Proceeds to reimburse Developer for Redevelopment Costs up to a maximum principal amount of \$6,000,000. The City shall evidence its obligation to reimburse Developer for such Redevelopment Costs by the execution and delivery of a “Placeholder Note” substantially in the form set forth in Exhibit "H" attached hereto and incorporated herein. The Placeholder Note shall be issued upon execution by both Parties of this Agreement; however, it shall only accrue interest on the outstanding principal balance as evidenced by an approved Certificate of Redevelopment Costs verifying that the requested reimbursement is solely for Redevelopment Costs incurred.

The Certificate of Redevelopment Costs shall include the following information:

- (i) a copy of the executed contract(s), agreement(s) for services or purchase order(s) underlying the payment of funds for which the Developer is requesting reimbursement;
- (ii) signed sworn statement and a contractor's affidavit listing the subcontractor(s) and material supplier(s) with the total contract price, the amount previously paid, the amount of the requested payment and the balance due;
- (iii) certified payroll records;
- (iv) partial lien waivers for the amount of the requested reimbursement; and
- (v) such other information requested by the City in order to verify that the requested reimbursement is solely for Redevelopment Costs.

The City shall have thirty (30) days from the date of a complete request for issuance to approve said request or to request the Developer to supplement or revise the information submitted.

The Placeholder Note shall bear interest on the outstanding principal amount, as evidenced by approved Certificates of Redevelopment Costs, at the rate of the lesser of (i) the BAA 20-Year G.O. Bond Index as published by Reuters Municipal Market Data on the date of issuance of the Placeholder Note plus 150 basis points or (ii) 6.75% (computed on the basis of a 360-day year of twelve 30-day months). The rate shall be set upon the date immediately prior to the date of execution of this Agreement by the last Party to execute it and shall be fixed for the full maturity of the Note (the “Fixed Interest Rate”). Interest shall not compound.

If there are Certificates of Redevelopment Costs approved in an initial amount of less than \$6,000,000 and the Developer subsequently incurs additional Redevelopment Costs, the principal balance of the Placeholder Note shall be increased upon the submission and approval of an additional Certificate of Redevelopment Costs pursuant to the procedure outlined above. Interest shall accrue on the additional principal amount commencing on the date of approval of the additional Certificate of Redevelopment Costs.

The Parties agree that no payments shall be due under the Placeholder Note and that the purpose of its issuance is simply to evidence the City’s obligation to reimburse certain Redevelopment Costs to the Developer pursuant to the provisions of this Agreement.

(c) *Retirement of Placeholder Note; Issuance of Note(s).* Upon substantial completion of the Required Public Improvements, as described in Section 7(g)(ii), the Developer shall return the Placeholder Note to the City. The City shall retire the Placeholder Note and issue a note or notes (each a “Note), substantially in the form attached hereto and incorporated herein as Exhibit “I”, to the Developer in the same aggregate principal amount and bearing the same interest rate as the Placeholder Note and subject to the other terms and provisions of this Agreement.

If the principal amount of the Note(s) issued to replace the Placeholder Note is less than \$6,000,000, and additional Redevelopment Costs are incurred by the Developer, the Developer may submit a request for additional Note(s) upon the same procedures set forth in subsection (b).

The Note(s) shall be payable solely from and secured by a lien on the Net TIF Proceeds.

The Developer acknowledges that no opinion regarding exemption of interest on the Note(s) from federal income taxation will be provided by the City.

The Note(s) shall not constitute a general obligation of the City, nor shall it be secured by the full faith and credit of the City. Interest shall not compound. The Note(s) shall mature twenty (20) years following its date of issuance or December 31, 2036, whichever shall first occur. The Note(s) shall be subject to mandatory redemption, without premium, in whole or in part, on any Scheduled Payment Date (as defined below) to the extent there are Net TIF Proceeds available for such payment. Each Note shall be subject to redemption at the option of the City without premium, as a whole or in part, at any time from and after three (3) years from its date of issuance but only to the extent that there are Net TIF Proceeds available.

The City shall have no obligation to make any payment on any Scheduled Payment Date if the Developer is in default under this Agreement and such payment will be suspended until such default has been remedied. No interest shall accrue during any such period of default.

Each Note shall be dated as of its date of issuance. Interest on each Note shall be payable on February 15th of each year that a Note is outstanding, except that the final payment shall be no later than December 31, 2036 (each hereinafter referred to as a "Scheduled Payment Date"). The Note(s) shall bear interest as follows: (a) any Note(s) issued in exchange for the Placeholder Note, shall bear interest from the date and at the rate indicated in the Placeholder Note, and (b) any other Note, if any, shall bear interest from its dated date at the Fixed Interest Rate.

Net TIF Proceeds shall be applied first to the payment of interest on the Note and then to the mandatory redemption of the Note as provided above. If more than one (1) Note is issued, such payments shall be made on a pro rata basis.

A Note may be (i) assigned or pledged as collateral by the Developer to any senior lender or project financing source, or (ii) upon the City's approval, not to be unreasonably withheld, sold or assigned to a Qualified Investor. Qualified Investor shall mean an Accredited Investor as defined under rule 501(D) of the Securities Act of 1933.

Additionally, and without restriction, the Developer may transfer the Note to (i) any entity controlling, controlled by or under common control with Developer or (ii) any entity in which the majority equity interest is owned by the parties that have a majority equity interest in the Developer.

In all such cases, the City shall be provided with an opinion of counsel or a certificate of the transferor, in a form satisfactory to the City, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws.

Transfer of the ownership of a Note to a person other than one permitted by this subsection shall relieve the City of all of its obligations under the Note.

Provided that the Developer is not in default hereunder, the City's obligation to repay each Note shall continue until each Note, including accrued interest, is paid in full, or until the expiration of the term of this Agreement, whichever is earlier. If the Agreement is terminated pursuant to the terms hereof, the City's obligation to repay the Note(s) shall also terminate.

(d) *Utilization of Tax Increment.* The City shall deposit all Tax Increment, as it is received, into the Fund, and shall disburse the same as follows:

- (i) First, the City shall pay, or allocate amounts sufficient to satisfy any payments to school districts (currently limited to a maximum of twenty-five percent (25%) of the Tax Increment) and library districts required pursuant to Section 3(q)(7.5) and (7.7) of the Act.

- (ii) Next, the City pay, or allocate amounts sufficient to pay amounts sufficient to satisfy:
 - (a) all reasonable or necessary costs incurred by the City (including costs of studies, surveys, the development of plans and specifications, and professional service costs for engineering, legal, financial planning and other similar services) in establishing the Area and in preparing, implementing and administering the Redevelopment Plan and this Agreement, to the extent not otherwise reimbursed; (b) all reasonable or necessary costs incurred by the City in complying with all state and county requirements concerning initial and annual filings and submissions for, and qualifications of, the Area; and (c) all reasonable or necessary costs incurred by the City in maintaining and auditing the Fund as part of the City's annual audit; provided, however, that such amounts paid or allocated shall not exceed \$15,000 in each fiscal year.
- (iii) Next, the City shall pay, or allocate amounts sufficient to pay, interest on the Note(s) and the mandatory redemption payments on the Note(s).
- (iv) Next, the City shall, at its option, pay or allocate amounts sufficient to pay any other costs permitted under the Act, including, but not limited to, optional redemption payments on the Note(s), to the extent permitted by applicable law.
- (v) The balance, if any, after the Notes have been fully amortized, shall be paid to the Kane County Collector for distribution to the City and the affected taxing districts for deposit in their appropriate accounts, in accordance with the surplus distribution provisions of the Act.

Section 10. Performance.

- (a) *Time of the Essence.* Time is of the essence of this Agreement.
- (b) *Unavoidable Delay.* Performance by either Party hereunder shall not be deemed to be in default as a result of unavoidable delays or defaults due to war, insurrection, strikes, lockouts, riots, floods, earth-quakes, fires, casualties, acts of God, acts of a public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, acts of the other Party, the act or the failure to act of any public or governmental agency or entity (except that the acts or failure to act of the City shall not excuse performance by the City) or any other like event or condition beyond the reasonable control of the Party affected thereby which in fact interferes with the ability of such Party to discharge their respective obligations hereunder (collectively, "Force Majeure Events"); provided, however, that unavoidable delays shall not include (i) economic hardship or

impracticability of performance, (ii) commercial or economic frustration of purpose, or (iii) a failure of performance by a contractor (unless caused by Force Majeure Events).

In addition, neither the City nor the Developer shall be considered in breach of, or default in its obligations under this Agreement in the event of any delay resulting from the conduct of any judicial, administrative or legislative proceeding or caused by litigation or proceedings challenging the authority or right of the City to act under the Ordinances, or perform under this Agreement. The City shall diligently contest any such proceedings and any appeals therefrom. The City may settle a contested proceeding at any point, so long as the settlement results in the City's ability to perform pursuant to this Agreement and so long as any such settlement does not impose additional obligations on Developer or reduce the Developer's rights or increase its obligations under this Agreement.

The Party seeking the benefit of the provisions of this subsection shall, within ten (10) days after the beginning of any such unavoidable delay, notify the other Party in writing of the cause or causes thereof, and request an extension for the period of the forced delay. Such notice may be given to a mortgagee in possession or seeking to obtain possession or any mortgagee, successor or assign becoming an assignee by foreclosure or deed in lieu of foreclosure.

(c) *No Waiver by Delay.* Unless otherwise provided herein, any delay by a Party in instituting or prosecuting any actions or proceedings or in otherwise exercising its rights hereunder against the other Party shall not operate as a waiver of any such Party's rights or to deprive it of or limit such rights in any way. No waiver in fact made by the City with respect to any specific default by Developer shall be considered or treated as a waiver of the rights of the City with respect to any other defaults by Developer or with respect to the particular default except to the extent specifically waived in writing. No waiver in fact made by the Developer with respect to any specific default by

the City shall be considered or treated as a waiver of the rights of the Developer with respect to any other defaults by the City or with respect to the particular default except to the extent specifically waived in writing.

(d) *Forum and Remedies.* Upon the breach of this Agreement, any of the Parties hereto may, exclusively in the Circuit Court of the Sixteenth Judicial Circuit, Kane County, Illinois, by action or proceeding at law or in equity, secure the specific performance of the covenants and agreements herein contained or recover damages for the failure of performance or any of the above.

In the event either Party shall institute legal action because of breach of any agreement or obligation contained in this Agreement, on the part of either Party to be kept or performed, the prevailing Party shall be entitled to recover all actual damages (except consequential damages), costs and expenses, including reasonable attorney's fees incurred therefore. The rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise of it, at the same time or different times, of any rights or remedies for the same default or for any other default by the other Party, as provided herein.

(e) *Default.* Subject to the Unavoidable Delays provisions set forth above hereof and to provisions for notice as provided herein, failure or delay by either Party to perform any term or provision of this Agreement shall constitute an Event of Default under this Agreement. Furthermore, each of the following acts or omissions of Developer shall also constitute an Event of Default under this Agreement:

- (i) Developer transfers (except to subsequent individual residential owners), or suffers any involuntary transfer of the Site or any part thereof, in violation of this Agreement;
- (ii) The filing, execution or occurrence of a voluntary or involuntary petition filed seeking any debtor relief, or the making of an assignment for the benefit of creditors by Developer, or Developer's execution of any instrument for the purpose of

effecting a composition of creditors or the adjudication of Developer as bankrupt or insolvent; and

- (iii) Developer is in default under any reimbursement of fees agreement between the Developer, or related entity, and the City.

(f) *Notice of Default.* A Party claiming an Event of Default under this Agreement shall give written notice of the alleged Default to the Party alleged to be in Default, specifying the Default(s) complained of by the injured Party.

(g) *Cure Period.* The Party alleged to be in Default shall cure, correct or remedy such alleged Event of Default within forty five (45) days (“Cure Period”). The injured Party may not institute proceedings against the Party in default until the end of the Cure Period. If such Default is cured within such Cure Period, the Default shall be deemed cured. If the Default is one which cannot be reasonably cured within the Cure Period, and if the defaulting Party shall commence curing the same within such Cure Period, the Cure Period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the defaulting Party diligently proceeds therewith; if such Default is cured within such extended period, the Default shall be deemed cured.

(h) *Notification to Mortgagees.* Whenever the City shall deliver any notice of Default to Developer with respect to any alleged Event of Default by Developer hereunder, the City shall at the same time deliver to each holder of record of any mortgage, or grantee under any other conveyance for financing, a copy of such notice or demand, provided City has been advised in writing of the name and address of any such holder. Each such holder or other entity shall have the right to cure or remedy or commence to cure or remedy any such Default after the expiration of the Cure Period subject to the same conditions as are applicable to the Developer pursuant to subsection (g) hereof.

In the event the Developer’s Default is not one curable by a mortgagee or holder of other interests under a conveyance by the Developer for purposes of financing acquisition of the Site and

construction of the Project (i.e., insolvency or bankruptcy of the Developer), such holder may request and the City may agree to enter into an assumption agreement with such holder upon such terms as the parties may then agree. Any such assumption agreement shall minimally incorporate this Agreement and all Exhibits attached hereto, together with such other reasonable terms as the parties may agree to secure the City in the prompt completion of the Project and the Required Public Improvements.

(i) *City Right to Cure Defaults.* In the event the Developer defaults in the construction or completion of construction of the improvements contemplated by the Agreement, and such default is also a default under any mortgage, deed of trust, other security instrument or lease-back or obligation to the grantee under any other conveyance for financing the acquisition or financing of the construction, and the holder, lessor or grantee, as the case may be, elects not to exercise its option to cure such default, the City may, after expiration of the notice and Cure Period set forth in subsection (g) above, cure such default, or cause the same to be cured, prior to completion of any foreclosure, termination of lease or other remedial proceeding as a result of such default. In such event, the City, or its nominee, shall be entitled to reimbursement from the Developer, or such other entity, of all reasonable costs and expenses incurred by the City in curing the default (including reasonable attorney's fees).

Section 11. Indemnification. The Developer and the City hereby agree to indemnify, defend and hold harmless the other Party and its officers, agents and employees from and against any losses, costs, damages (except consequential damages), liabilities, claims, suits, actions, causes of action and expenses (including without limitation, attorney's fees and court costs) suffered or incurred by such Party arising from or in connection with the failure of the indemnifying Party to perform its obligations under this Agreement. In addition, the Developer

hereby agrees to indemnify, defend and hold harmless the City and its officers, agents and employees from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including without limitation, attorney's fees and court costs) for the failure of Developer or any contractor to pay contractors, subcontractors or materialmen in connection with the Project.

Section 12. Insurance and Destruction of Project. Prior to the Developer's commencement of construction of the Project, the Developer shall provide the City with all policies of insurance which the City may reasonably require in forms and coverages, issued by companies and in amounts reasonably satisfactory to the City, including without limitation, comprehensive public liability, workmen's compensation and builder's risk insurance coverage naming the City as an additional insured on said policies.

The Developer shall furnish or cause to be furnished to the City duplicate originals, if requested, or appropriate certificates of insurance evidencing that there shall be in effect on a per project limit basis, comprehensive public liability insurance (covering bodily injury and property damage) in the amount of at least Five Million and no/100ths Dollars (\$5,000,000.00) as combined single limits, per occurrence and shall include the City, its officers, agents and employees as additional insureds in all such policies.

All such policies shall also provide for at least ten (10) days prior notice to the City of the cancellation or termination of such policies. The City shall have the right but not the obligation to pay any delinquent insurance premiums hereunder and Developer shall reimburse City for any such payments. Any liability of the City, its officers, agents and employees, for the construction of the Required Public Improvements shall be fully insured under these policies for the limits set forth above. Such insurance shall be maintained in force by Developer until construction of the Required

Public Improvements is completed and accepted by the City at which time the insurance requirements shall pass to the City.

Prior to the completion of the Project, Developer shall cause same to be insured in an amount equal to the full replacement value thereof, such that should any portion thereof be damaged or destroyed by fire or other insurable casualty, sufficient funds shall be available to permit the reconstruction thereof; provided, however, that once the City has accepted the Required Public Improvements, it shall be the City's responsibility to insure the Required Public Improvements. Should the Project be damaged or destroyed prior to completion, the Developer shall either rebuild the Project or repay to the City all moneys paid by the City under the provisions of this Agreement. In the event that the amount of insurance proceeds is in excess of all amounts due to any lender holding a mortgage on the Site, such excess shall be applied toward any amounts due to the City, if any, under the preceding sentence.

Section 13. Developer's Books and Records. Developer agrees that until such time as the Certificate of Completion is issued, the City shall have the right and authority to review and audit, from time to time at the Developer's offices, the Developer's books and records relating to the Project (including, but not limited to, Developer's loan statements, general contractor's sworn statements, general contracts, subcontracts purchase orders, waivers of lien, paid receipts and invoices).

Section 14. Transfers. Prior to the issuance of a Certificate of Completion for the Project and the acceptance of the Required Public Improvements, and other than (a) the transfer of the property or the beneficial interests in the property to an entity owned or controlled by substantially the same persons as Developer, or (b) sales and mortgaging of the sale of individual residential units, the Developer shall not make, create or suffer to be made any sale, transfer,

assignment or conveyance, except regarding financing of the Project, with respect to this Agreement or the Site or the Project, or any part thereof, including without limitation, any transfer or assignment of the beneficial interest in title holding trust or any part thereof, or contract or agree to do any of the same, without the prior written approval of the City, which approval shall not be unreasonably withheld or delayed.

Any proposed transferee within the forgoing period shall have the qualifications and financial responsibility necessary and adequate, as may be reasonably determined by the City, to fulfill the obligations undertaken in this Agreement by the Developer. Any such proposed transferee, by instrument in writing reasonably satisfactory to the City and in recordable form, for itself and its successors and assigns, and for the benefit of the City, shall expressly assume all of the obligations of the Developer under this Agreement, shall agree to be subject to all the conditions and restrictions to which the Developer is subject and upon acceptance in writing by the City of such transferee the Developer shall be released from any obligation or responsibility under this Agreement. In the absence of the specific written agreement by the City no such transfer, assignment or approval by the City shall be deemed to relieve the Developer or any other Party from any obligations as to the Site under this Agreement.

Section 15. Miscellaneous Provisions.

(a) *Real Estate Taxes.* Neither the Developer, nor any agent, representative, lessee, tenant, assignee or transferee of, or successor in interest to the Developer, shall, while this Agreement is in effect, directly or indirectly initiate, apply for or seek to reduce the equalized assessed value of any portion of the Site below an amount based upon the purchase price for said portion of the Site.

Neither the Developer nor any agent, representative, lessee, tenant, assignee or transferee of, or successor in interest to, the Developer shall object to or in any way seek to prevent, on procedural or any other grounds, the filing of any underassessment complaint for any year that this Agreement is in effect, provided that the complaint relates to a parcel that is being assessed below an amount based upon the purchase price of said parcel.

The foregoing covenants in this subsection shall be construed and interpreted as an express agreement by the Developer with the City that a major incentive inducing the City to enter into the arrangements and transaction described in this Agreement is to increase the assessed valuation of and the general real estate taxes payable with respect to the Area. This Agreement may be used by the City, in the City's discretion, as admissions against Developer's interest in any tax assessment or related proceeding.

The provisions of this subsection shall not be applicable to the individual owners of any residential units ultimately constructed on the Site.

(b) *Mutual Assistance.* The City and the Developer agree to execute all documents, including permit applications, and to take all appropriate or necessary measures as required by this Agreement, by the Act, by the Ordinances, the statutes of the State of Illinois or of any other governmental agencies as may be applicable thereto in order to properly effectuate the implementation, purpose, intent and spirit of this Agreement and the completion of the Project in accordance with the Control Documents.

(c) *Disclaimer.* Nothing contained in this Agreement, nor any act of the City, shall be deemed or construed by any of the Parties, or by third persons, to create any relationship of third Party beneficiary, or of principal or agent, or of limited or general partnership, or of joint venture, or of any association or relationship involving the City or the Developer.

(d) *Covenants Running with the Land.* It is intended and agreed that all covenants provided in this Agreement on the part of the Developer to be performed or observed shall be covenants running with the land binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by the City, and any successor in interest to the Site, or any part thereof; provided, however, it is not the intent of the Parties that the covenants provided herein shall be binding on the individual owners of any residential units ultimately constructed on the Site.

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

(f) *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.

(g) *Recordation of Agreement.* The Parties agree to execute and deliver the original of this Agreement in proper form for recording in the office of the Recorder of Deeds, Kane County, Illinois.

(h) *Notices.* Notices herein required shall be in writing and shall be served upon the Parties, either personally or mailed by certified or registered mail, return receipt requested:

If to the City:

City Administrator
City of St. Charles
2 East Main Street
St. Charles, Illinois 60174

with a copy to: Gorski & Good, LLP
211 South Wheaton Avenue, Suite 305
Wheaton, Illinois 60187
Attn: Ms. Robin Jones

If to Developer: St. Charles – 333 North Sixth Street, LLC
c/o Lexington Homes, LLC
1731 N. Marcey Street
Suite 200
Chicago, Illinois 60614
Attn: Mr. Ronald J. Benach

with a copy to: Rathje & Woodward, LLC
300 E. Roosevelt Road, Suite 300
Wheaton, IL 60187
Attn: Mr. Henry Stillwell or Mr. Tracy Kasson

If to any Mortgagee: To the person and address designated
to the City in writing by the Mortgagee.

A Party's address may be changed from time to time by such Party giving notice as provided above to the other Parties noted above.

(i) *Integration.* This Agreement together with all Exhibits and attachments thereto, constitute the entire understanding and agreement of the Parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or the Developer.

(j) *Amendment.* This Agreement, and any Exhibit attached hereto, may be amended only by written instrument properly executed by the Parties or their successors in interest. Execution of any such amendment by the City shall first have been authorized by the Ordinance or Resolution duly adopted by the corporate authorities of the City.

(k) *Certificate of Continued Effectiveness.* Within ten (10) business days after the written request by Developer, the City shall execute and deliver to any existing or proposed mortgagee, or lessor or grantee a certificate stating that this Agreement is in full force and effect, that neither the City nor Developer are in default under this Agreement and containing such other information as may be reasonably requested by such mortgagee, lessor or grantor.

(l) *Successors and Assignees.* The terms and conditions of this Agreement are to apply to and bind and inure to the benefit of the City, the Developer and their successors and assignees.

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

(n) *Term.* This Agreement shall be in full force and effect from and after the execution hereof by the last Party to execute the same and shall remain in full force and effect, unless earlier terminated pursuant to any of the terms or provisions of this Agreement, until December 31, 2036. Upon the expiration of the term of the Agreement, the City will provide the Developer, at the Developer's written request, with a written notice in recordable form stating that the term of the Agreement has expired.

(o) *Governing Law.* The laws of the State of Illinois shall govern the interpretation and enforcement of this Agreement.

[SIGNATURE PAGE FOLLOWS]

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

CITY OF ST. CHARLES, an Illinois
municipal corporation,

By: _____
Mayor

ATTEST:

City Clerk

ST. CHARLES – 333 NORTH SIXTH
STREET, LLC, an Illinois limited liability
company

By: _____
Its: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF KANE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Donald P. DeWitte, Mayor of the City of St. Charles, and Nancy Garrison, City Clerk of said City, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Mayor and City Clerk, respectively appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said City, for the uses and purposes therein set forth; and the City Clerk then and there acknowledged that she, as custodian of the corporate seal of said City, did affix the corporate seal of said City to said instrument, as her own free and voluntary act and as the free and voluntary act of said City, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of
_____, 2012.

Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF KANE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO
HEREBY CERTIFY that _____, _____ of St. Charles – 333 North Sixth
Street, LLC, an Illinois limited liability company, personally known to me to be the same person
whose name is subscribed to the foregoing instrument as such _____ appeared before me
this day in person and acknowledged that ____ signed and delivered the said instrument as ____ own
free and voluntary act and as the free and voluntary act of said company, for the uses and purposes
therein set forth.

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

2012.

Notary Public

EXHIBIT A

OUTLINE OF SITE

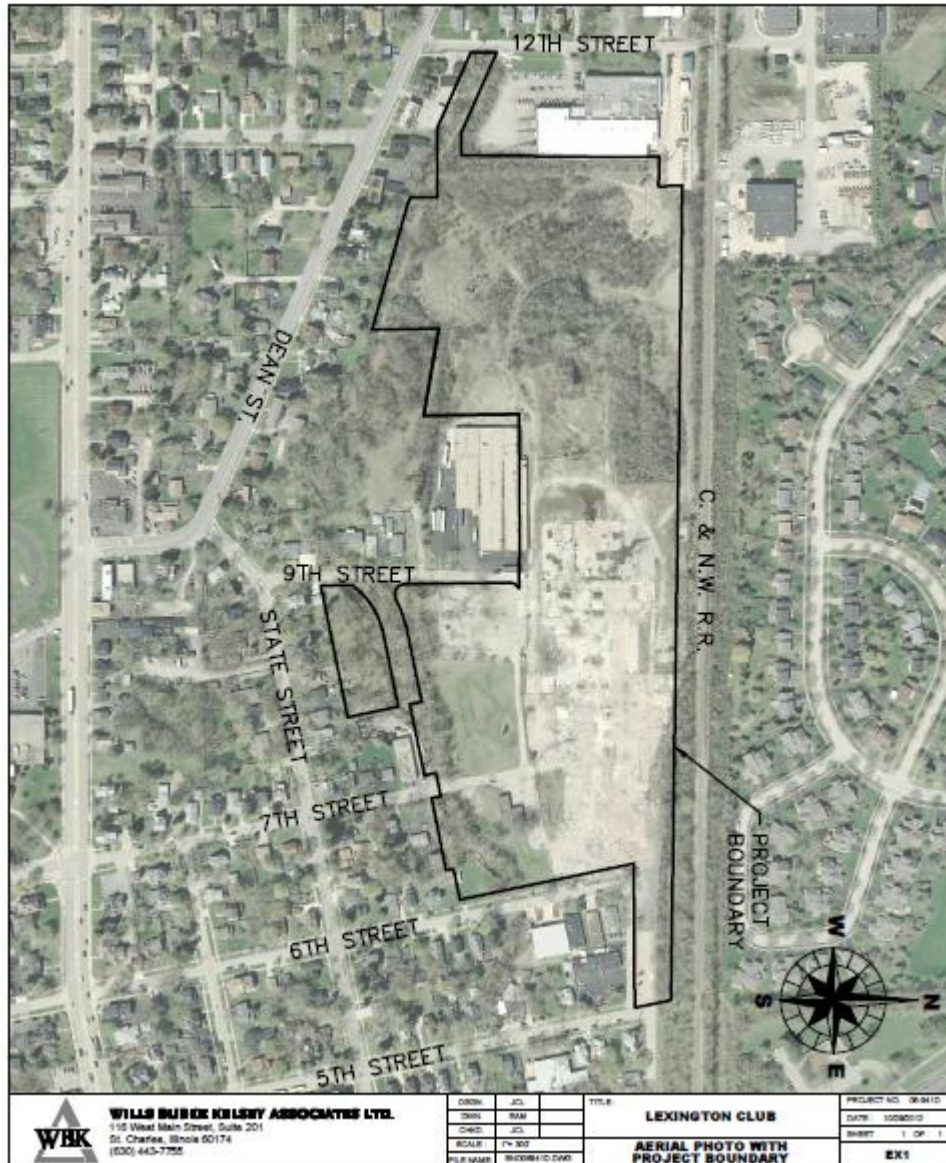


EXHIBIT B

LEGAL DESCRIPTION OF SITE

PARCEL ONE:

LOT 2 (EXCEPT THE SOUTHERLY 116 FEET); ALL OF LOTS 3 AND 4 IN BLOCK 2 OF T. E. RYAN'S ADDITION TO ST. CHARLES, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL TWO:

LOTS 1, 2, 3, 4, 5, 6 AND 7 IN BLOCK 1 AND LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 AND 18 IN BLOCK 2; LOTS 1, 2, 3, 4, 5 AND 6 IN BLOCK 3 AND LOTS 1, 2, 3, 4, 5 (EXCEPT THAT PART OF LOT 5 CONVEYED BY DOCUMENT 1788487 RECORDED AUGUST 19, 1986) AND THE NORTH 30 FEET OF LOT 11 IN BLOCK 5, AND THAT PART OF VACATED NINTH STREET NORTH OF THE SOUTH LINE EXTENDED EASTERLY OF LOT 5 IN SAID BLOCK 5 AND VACATED MARK STREET, AND THE NORTH 1/2 OF VACATED RYAN STREET LYING EASTERLY OF THE WESTERLY LINE OF LOT 13, BLOCK 2 EXTENDED AND LYING WESTERLY OF THE WESTERLY LINE OF SEVENTH STREET, ALL IN MILLINGTON'S THIRD ADDITION TO ST. CHARLES, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL THREE:

THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE WEST LINE OF SAID SOUTH EAST 1/4 WITH THE NORTHERLY LINE OF DEAN STREET; THENCE SOUTH 66 DEGREES, 13 MINUTES, 0 SECONDS EAST ALONG THE NORTHERLY LINE OF SAID DEAN STREET 1043 FEET; THENCE NORTH 2 DEGREES, 44 MINUTES, 0 SECONDS EAST 150 FEET (SAID POINT HEREINAFTER REFERRED TO AS POINT "A"); THENCE SOUTH 64 DEGREES, 34 MINUTES, 0 SECONDS EAST 149.92 FEET; THENCE NORTH 1 DEGREES, 31 MINUTES, 0 SECONDS WEST, 62 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 1 DEGREES, 31 MINUTES, 0 SECONDS WEST, 651.43 FEET; THENCE SOUTH 89 DEGREES, 45 MINUTES, 0 SECONDS WEST 135.80 FEET; THENCE NORTH 7.90 FEET; THENCE SOUTH 89 DEGREES, 20 MINUTES, 0 SECONDS WEST 282.40 FEET; THENCE SOUTH 00 DEGREES, 27 MINUTES, 10 SECONDS WEST 490.78 FEET; THENCE EAST 106 FEET; THENCE SOUTH 67.19 FEET TO A LINE DRAWN NORTH 64 DEGREES, 34 MINUTES, 0 SECONDS WEST FROM POINT "A" AFORESAID; THENCE SOUTH 64 DEGREES, 34 MINUTES, 0 SECONDS EAST 19.73 FEET; THENCE SOUTH 74 DEGREES, 16 MINUTES, 30 SECONDS EAST 327.76 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL FOUR:

THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH EAST 1/4; THENCE EAST 396.08 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID SOUTH EAST 1/4 TO A POINT 150 FEET NORTH OF THE NORTHERLY LINE OF DEAN STREET, FOR THE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES, 13 MINUTES, 0 SECONDS EAST PARALLEL WITH THE NORTHERLY LINE OF DEAN STREET, 208.7 FEET (THIS COURSE HEREINAFTER REFERRED TO AS LINE "A") THENCE EAST 69 FEET; THENCE NORTH 0 DEGREES, 27 MINUTES, 10 SECONDS EAST 60 FEET; THENCE WEST 56.84

FEET TO A LINE DRAWN PARALLEL WITH AND 60 FEET NORTHERLY OF, MEASURED AT RIGHT ANGLES THERETO, LINE "A" AFORESAID; THENCE NORTH 66 DEGREES, 13 MINUTES, 0 SECONDS WEST ALONG SAID PARALLEL LINE, 222.51 FEET TO A LINE DRAWN NORTH, PARALLEL WITH THE WEST LINE OF SAID SOUTH EAST 1/4, FROM THE POINT OF BEGINNING; THENCE SOUTH ALONG SAID PARALLEL LINE 65.57 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL FIVE:

THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF BLOCK 2 OF MILLINGTON'S ADDITION TO THE TOWN OF ST. CHARLES; THENCE NORTH 11 DEGREES, 37 MINUTES, 0 SECONDS WEST ALONG THE EASTERLY LINE OF WEST SEVENTH STREET EXTENDED, 356 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 78 DEGREES, 46 MINUTES, 0 SECONDS EAST 186.2 FEET TO THE WESTERLY LINE OF BLOCK 2 OF T. E. RYAN'S ADDITION TO ST. CHARLES; THENCE NORTH 11 DEGREES, 48 MINUTES, 0 SECONDS WEST ALONG SAID WESTERLY LINE 481.9 FEET TO THE SOUTH RIGHT OF WAY LINE OF THE CHICAGO AND GREAT WESTERN RAILWAY; THENCE SOUTH 89 DEGREES, 30 MINUTES, 0 SECONDS WEST ALONG SAID RIGHT OF WAY LINE TO THE NORTHEAST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID MILLINGTON'S THIRD ADDITION TO THE SOUTHEAST CORNER OF BLOCK 2 IN SAID ADDITION; THENCE EASTERLY ALONG THE SOUTHERLY LINE EXTENDED EASTERLY OF SAID BLOCK 2 TO THE EASTERLY LINE OF WEST SEVENTH STREET EXTENDED; THENCE SOUTH 11 DEGREES, 37 MINUTES, 0 SECONDS EAST ALONG SAID EASTERLY LINE TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL SIX:

THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES, ON THE NORTHERLY LINE OF DEAN STREET; THENCE NORTH 66 DEGREES, 07 MINUTES, 0 SECONDS WEST ALONG SAID NORTHERLY LINE OF DEAN STREET 335.3 FEET TO THE SOUTHEAST CORNER OF THE TRACT OF LAND CONVEYED TO JULES VANOVERMEIREN BY DEED DATED DECEMBER 18, 1925, AND RECORDED DECEMBER 26, 1925 IN BOOK 788, PAGE 548, AS DOCUMENT 266367; THENCE NORTH ALONG THE EAST LINE AND THE EAST LINE EXTENDED OF SAID TRACT OF LAND 174 FEET; THENCE NORTH 60 DEGREES, 19 MINUTES, 0 SECONDS WEST, 168.19 FEET; THENCE NORTH 1 DEGREES, 29 MINUTES, 0 SECONDS WEST 188.59 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 1 DEGREES, 29 MINUTES, 0 SECONDS WEST 479.71 FEET TO THE SOUTHERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND GREAT WESTERN RAILROAD COMPANY; THENCE NORTH 89 DEGREES, 31 MINUTES, 0 SECONDS EAST ALONG SAID SOUTHERLY RIGHT OF WAY LINE, 456.2 FEET TO THE NORTHWEST CORNER OF SAID MILLINGTON'S THIRD ADDITION; THENCE SOUTH 1 DEGREE EAST ALONG THE WEST LINE OF SAID ADDITION 285 FEET; THENCE SOUTH 89 DEGREES, 31 MINUTES, 0 SECONDS WEST 132 FEET; THENCE SOUTH 1 DEGREES, 04 MINUTES, 0 SECONDS EAST 255.77 FEET TO A POINT SOUTH 80 DEGREES, 02 MINUTES, 0 SECONDS EAST FROM THE POINT OF BEGINNING; THENCE NORTH 80 DEGREES, 02 MINUTES, 0 SECONDS WEST 325.65 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS, EXCEPTING THEREFROM THE FOLLOWING: THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES, KANE COUNTY, ILLINOIS;

THENCE SOUTH 1 DEGREES, 04 MINUTES, 0 SECONDS EAST ALONG THE WEST LINE OF SAID ADDITION 285.0 FEET; THENCE SOUTH 89 DEGREES, 31 MINUTES, 0 SECONDS WEST 132.0 FEET; THENCE SOUTH 1 DEGREES, 04 MINUTES, 0 SECONDS EAST PARALLEL WITH SAID WEST LINE 255.77 FEET FOR A POINT OF BEGINNING; THENCE NORTH 1 DEGREES, 04 MINUTES, 0 SECONDS WEST ALONG THE LAST DESCRIBED COURSE 255.77 FEET; THENCE SOUTH 89 DEGREES, 31 MINUTES, 0 SECONDS WEST 100.00 FEET; THENCE SOUTH 1 DEGREES, 04 MINUTES, 0 SECONDS EAST PARALLEL WITH SAID WEST LINE 237.41 FEET TO A LINE DRAWN NORTH 80 DEGREES, 06 MINUTES, 0 SECONDS WEST FROM THE POINT OF BEGINNING; THENCE SOUTH 80 DEGREES, 06 MINUTES, 0 SECONDS EAST 101.86 FEET TO THE POINT OF BEGINNING (EXCEPT THAT PART CONVEYED BY DOCUMENT 1788487 RECORDED AUGUST 19, 1986), IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL SEVEN:

EASEMENT FOR PRIVATE ROADWAY RESERVED BY DEED RECORDED JULY 16, 1957, IN BOOK 1855, PAGE 119, AS DOCUMENT 839306, MADE BY HAWLEY PRODUCT COMPANY TO CARL E. SODERQUIST AND SONS FOR THE BENEFIT OF THE NORTH 30 FEET OF LOT 11 IN BLOCK 5 OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES IN PARCEL TWO, OVER THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES; THENCE SOUTH 1 DEGREE EAST ALONG THE WEST LINE OF SAID ADDITION 535 FEET FOR THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 1 DEGREE EAST 30 FEET; THENCE NORTH 80 DEGREES, 02 MINUTES, 0 SECONDS WEST 134.45 FEET; THENCE NORTH 1 DEGREE WEST PARALLEL WITH THE WEST LINE OF SAID ADDITION 30 FEET; THENCE SOUTH 80 DEGREES, 02 MINUTES, 0 SECONDS EAST 134.45 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL EIGHT:

THAT PART OF THE SOUTHWEST 1/4 OF SECTION 27 AND THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF FIFTH STREET (STATE ROUTE 31) AS PLATTED IN THE CITY OF ST. CHARLES WITH THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN A WARRANTY DEED DATED JUNE 2, 1886, BETWEEN JOHN WARNE, AND OTHERS, AND THE MINNESOTA AND NORTH WESTERN RAILROAD COMPANY, FILED FOR RECORD IN THE RECORDER'S OFFICE OF KANE COUNTY ON JUNE 4, 1886, IN BOOK 243 ON PAGE 17; THENCE WESTERLY ALONG THE SOUTH LINE BY SAID WARRANTY DEED, BEING ALONG THE SOUTH RIGHT OF WAY LINE OF THE CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY, A DISTANCE OF 1857.64 FEET TO A JOG IN SAID SOUTH RIGHT OF WAY LINE; THENCE NORTHERLY ALONG SAID JOG, A DISTANCE OF 7.90 FEET; THENCE WESTERLY ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 282.85 FEET TO A JOG IN SAID SOUTH RIGHT OF WAY LINE; THENCE NORTHERLY, ALONG SAID JOG, A DISTANCE OF 127.46 FEET TO A POINT ON A LINE THAT IS 50.0 FEET SOUTH OF AND PARALLEL WITH THE CENTER LINE OF THE MAIN TRACK OF THE CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY; THENCE EASTERLY ALONG SAID PARALLEL LINE, A DISTANCE OF 2126.02 FEET TO THE CENTER LINE OF 5TH STREET (STATE ROUTE 31) AS AFORESAID; THENCE SOUTHEASTERLY ALONG SAID CENTER LINE, A DISTANCE OF 93.59 FEET TO THE POINT OF BEGINNING, BEING SITUATED IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS EXCEPTING THEREFROM THE FOLLOWING DESCRIBED LAND

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE

NORTHEAST CORNER OF LAND CONVEYED TO THE CITY OF ST. CHARLES BY DOCUMENT NO. 910272, SAID POINT BEING 50.00 FEET NORMALLY DISTANT SOUTHERLY FROM THE UNION PACIFIC RAILROAD MAIN TRACK CENTER LINE; THENCE SOUTH 89 DEGREES 11 MINUTES EAST, 76.35 FEET, PARALLEL WITH SAID MAIN TRACK CENTER LINE; THENCE SOUTH 1 DEGREES 53 MINUTES EAST, 60.06 FEET, PARALLEL WITH THE EAST LINE OF SAID LAND CONVEYED BY DOCUMENT NO. 910272; THENCE NORTH 89 DEGREES 11 MINUTES WEST, 76.35 FEET TO THE SOUTHEAST CORNER OF SAID DOCUMENT NO. 910272; THENCE NORTH 1 DEGREE 53 MINUTES WEST, 60.06 FEET ALONG THE EAST LINE OF SAID DOCUMENT NO. 910272 TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

EXHIBIT C

DESCRIPTION OF PROJECT

The Lexington Club is a proposed 130 unit residential development consisting of a mix of 28 detached single family dwellings and 102 two story townhomes, all to be constructed on the industrial site formerly known as the Applied Composites property.

In addition, there will be a privately-owned park on approximately 22,000 square feet of land, at the northeast corner of the proposed development.

The property is currently a blighted and environmentally contaminated industrial site within walking distance to the downtown. In conjunction with the development, all existing structures have been or will be demolished and the environmental contamination will be mitigated in compliance with all applicable laws and regulations. The Applicant also is proposing to preserve the State Street Creek as well as to bring the property into full conformity with all applicable storm water management and detention requirements.

EXHIBIT D

REDEVELOPMENT COSTS

Lexington Homes

St. Charles Project

Detail of Extraordinary Site Costs

DATE : 4/16/12

Demolition		
TREE CLEARING -		\$ 24,000
HOMER TREE BID 24,000	\$ 24,000	
TOTAL =	\$ 24,000	
DEMO TO DATE		\$ 166,597
ASBESTOS REMEDIATION (TECNICA ENVIRONMENTAL)	\$ 89,582	
WELL CAPPING, DOCUMENTATION (LAYNE CHRISTENSEN)	\$ 18,883	
BUILDING DEMOLITION - DOWN TO SLABS (VANCO)	\$ 58,132	
TOTAL =	\$ 166,597	
DEMO TO COMPLETE		\$ 1,016,956
Overhead Wire Demolition	\$ 651,956	
Fence Removal	\$ 1,500	
Storm Sewer Removal	\$ 1,500	
Storm Sewer Structure Removal	\$ 1,500	
Misc. Building Demolition - guard house, misc.	\$ 8,000	
Remove Railroad Tracks	\$ 2,500	
Remove Guardrail	\$ 2,500	
Pavement Removal	\$ 12,500	
Removal of PCC slabs, foundations, crush on site.	\$ 320,000	
Private Electrical Demo	\$ 15,000	
TOTAL =	\$ 1,016,956	
Sub-Total Demolition and Clearing		\$ 1,207,553
CONTINGENCY 10%	\$ 120,755	
TOTAL DEMO AND CLEARING		\$ 1,328,308

Leveling of Site Due to Difficult Topography		
MASS EARTHWORK		\$ 464,842
Topsoil Strip to Stockpile	\$ 42,775	
Cut to Fill	\$ 267,435	
Topsoil Respread Ponds, Parks	\$ 35,040	
Subgrade Streets, Backfill Curbs	\$ 19,592	
Undercut - weak soils, uncompacted fills	\$ 100,000	
TOTAL =	\$ 464,842	
EXPORT OF MATERIAL		\$ 3,120,000
CUT TO EXPORT AT MASS/SEWER SPOIL CCDD (\$18/CY)	\$ 540,000	
CUT TO EXPORT AT MASS NON CCDD (\$60/CY)	\$ 1,800,000	
CUT TO EXPORT AT FOUNDATION DIG CCDD (\$18/CY)	\$ 180,000	
CUT TO EXPORT AT FOUNDATION DIG NON CCDD (\$60/CY)	\$ 600,000	
TOTAL =	\$ 3,120,000	
Sub-Total Leveling of Site		\$ 3,584,842
TOTAL LEVELING OF SITE		\$ 3,584,842

Environmental Remediation		\$ 1,550,000
Reports, Studies, Documentation to date	\$ 10,000	
Reports, Studies, Documentation Environmental Anticipated	\$ 190,000	
Hauling Special Waste (15,000 CY @ \$90)	\$ 1,350,000	
TOTAL =	\$ 1,550,000	
Sub-Total Environmental Remediation		\$ 1,550,000
TOTAL ENVIRONMENTAL REMEDIATION		\$ 1,550,000

Total Demolition, Leveling, and Environmental	\$ 6,463,150
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EXHIBIT E
PROGRESS REPORT

Project: Lexington Club

Reporting Period: Month of _____, 20__

<u>DESCRIPTION OF EXPENDITURE</u>	<u>AMOUNT BUDGETED</u>	<u>AMOUNT EXPENDED THIS REPORTING PERIOD</u>	<u>CUMULATIVE AMOUNT EXPENDED</u>
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ANTICIPATED CONSTRUCTION SCHEDULE FOR REMAINDER OF PROJECT:

STATUS OF ENVIRONMENTAL REMEDIATION ACTIVITIES UNDERTAKEN:

Date: _____, 20__.

EXHIBIT F

BUDGET

Lexington Homes
St. Charles Project
Project Budget
EXHIBIT F

Land Acquisition and Assembly

Site Acquisition	\$	3,285,000
Actual Land Carry Costs	\$	1,682,914
Subtotal - Land Acquisition and Assembly	\$	4,967,914

Site Preparation

Site Preparation	\$	9,055,607
Public Street Improvements	\$	230,000
Subtotal - Site Preparation	\$	9,285,607

Hard Costs of Vertical Construction

Direct Costs of Construction - Base Homes	\$	20,093,736
Direct Costs of Construction - Upgrades	\$	1,393,675
Model Area Dev. Costs	\$	490,770
Sub-Total Vertical Construction Costs	\$	21,978,181

Soft Costs

Indirect Construction	\$	1,824,480
Sales & Marketing	\$	2,280,600
G&A	\$	912,240
General Contracting Fee	\$	737,512
Corporate Overhead	\$	1,576,313
Closing Costs	\$	227,901
Loan Fees	\$	175,469
Sub-Total - Soft Costs	\$	7,734,515
Total Project Costs	\$	43,966,218

EXHIBIT G

ZONING APPROVAL ORDINANCE

City of St. Charles, Illinois
Ordinance No. 2012-Z-_____

**An Ordinance Granting Approval of Map Amendment, Special Use for a
Planned Unit Development, and Approval of a PUD Preliminary Plan
(Lexington Club PUD)**

WHEREAS, on or about December 8, 2009, the Lexington Homes LLC (“Applicant”) and St. Charles-333 North Sixth Street, LLC (“Record Owner”) filed applications for (i) Map Amendment to rezone the property legally described on Exhibit “A” attached hereto and made a part hereof (“Single Family Parcel”) from the M-1 Special Manufacturing District to the RT-3 Traditional Single Family Residential District and to rezone the property legally described on Exhibit “B” attached hereto and made a part hereof (“Townhome Parcel”) from the M-1 Special Manufacturing District to the RM-2 Medium Density Multi-Family Residential District; (ii) Special Use for a Planned Unit Development so as to permit a residential development project on the property legally described on Exhibit “C” attached hereto and made a part hereof (“Subject Realty”), with deviations from the regulations of the St. Charles Zoning Ordinance; and (iii) PUD Preliminary Plan for the Subject Realty; and

WHEREAS, Notice of Public Hearing on said petitions for Map Amendment and Special Use for Planned Unit Development were published on or about July 30, 2011, in a newspaper having general circulation within the City, to-wit, the Kane County Chronicle newspaper, all as required by the statutes of the State of Illinois and the ordinances of the City; and,

WHEREAS, pursuant to said notice, the Plan Commission conducted public hearings on or about August 16, 2011, September 20, 2011 and October 4, 2011(collectively, the “Public Hearing”), on said application in accordance with the statutes of the State of Illinois and the ordinances of the City; and,

WHEREAS, at said Public Hearing, the Applicant presented testimony in support of said application and all interested parties were afforded an opportunity to be heard; and,

WHEREAS, on October 18, 2011, the Plan Commission made all required Findings of Fact and forwarded them to the City Council together with its recommendation that the relief requested in said petitions be approved subject to the conditions stated therein; and,

WHEREAS, the Planning & Development Committee of the City Council recommended approval of said applications subject to conditions on or about May 14, 2012; and,

WHEREAS, the City Council of the City of St. Charles has received the recommendations of the Plan Commission and Planning and Development Committee and has considered the same.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, as follows:

Section 1. The preambles set forth hereinabove are incorporated herein as substantive provisions of this Ordinance as though fully set out in this Section 1.

Section 2. That the Official Zoning Map of the City, which is on file in the Office of the City Clerk, is hereby amended by rezoning the property legally described in Exhibit “A” from the “M-1 Special Manufacturing District” to “RT-3 Traditional Single Family Residential District” and rezoning the property legally described in Exhibit “B” from the “M-1 Special Manufacturing District” to the “RM-2 Medium Density Multi-Family Residential District”. Said rezoning is based upon Petitioner’s application and the evidence presented at the Public Hearing. The City Council hereby finds that the Zoning Map Amendments are in the public interest and adopts the Findings of Fact set forth on Exhibit “D-1” which is attached hereto and incorporated herein.

Section 3. That a Special Use for a Planned Unit Development is hereby granted for the Subject Realty, pursuant to the provisions of Title 17 of the St. Charles Municipal Code, as amended. Based upon the Petitioner’s application and the evidence presented at the Public Hearing, the City Council hereby finds that the Planned Unit Development is in the public interest and adopts the Findings of Fact set forth on Exhibit “D-2”, which is attached hereto and incorporated herein.

Section 4. That passage and approval of this Ordinance shall constitute approval of the PUD Preliminary Plan, consisting of the following documents:

- Preliminary Site Plan prepared by BSB Design dated 4/18/12
- Preliminary Subdivision Plans prepared by TFW Surveying & Mapping Inc. dated 12/17/10 and last revised 9/6/12
- Preliminary Engineering Plans prepared by Wills Burke Kelsey Associates Ltd. dated 12/17/10 and last revised 10/9/12
- Preliminary Landscape Plans prepared by Pugsley & Lahaie Ltd. dated 11/25/09 and last revised 4/18/12
- Preliminary Architectural Elevations prepared by BSB Design dated 7/21/11, including three sheets of Character Elevations for the detached single-family buildings and two sheets of Character Elevations for the attached single family buildings.

reduced copies of which are attached hereto and incorporated herein as Exhibit “E” (PUD Preliminary Plan), subject to the terms, conditions and restrictions set forth herein and subject to compliance with such conditions, corrections, and modifications as may be required by the Director of Community Development and the Director of Public Works to comply with the requirements of the St. Charles Municipal Code.

Section 5. The Subject Realty shall be developed only in accordance with all ordinances of the City as now in effect and as hereafter amended (except as specifically varied herein), and subject to the terms, conditions and restrictions set forth herein, as follows:

- a. Dwelling Units: A maximum of one-hundred thirty (130) dwelling units may be constructed on the Subject Realty, comprised of one-hundred two (102) attached single family dwellings on the Townhome parcel and twenty-eight (28) detached single-family dwellings on the Single Family Parcel.
- b. Single Family Parcel: The development shall comply with the standards of the RT-3 zoning district, except that the following deviations are hereby approved:
 1. The maximum building coverage for one-and-one-half and two-story structures is hereby increased to 45%.
 2. The minimum interior side yard requirement is hereby reduced to 5 feet.
 3. The minimum rear yard requirement is hereby reduced to 25 ft.
- c. Townhome Parcel: The development shall comply with the standards of the RM-2 zoning district, except that the following deviations are hereby approved:
 1. The minimum lot area per dwelling unit requirement is hereby reduced to 3,912 square feet.
 2. The minimum front yard requirement is hereby reduced to 15 ft. for corner or building end units, where the garage door for the unit faces the exterior side yard.
 3. The minimum interior side yard requirement is hereby reduced to 9 ft.
 4. The minimum exterior side yard requirement is hereby reduced to 15 ft.; however, no garage door shall be less than 20 ft. from the street right-of-way.
- d. Design Review Standards and Guidelines: The development shall comply with the Design Review Standards and Guidelines of Chapter 17.06 of the Zoning Ordinance, and with the following conditions:
 1. Uniform building materials as required by Section 17.06.050(F)(3) of the Zoning Ordinance shall not be required for the townhome buildings, provided that the elevations otherwise conform to the PUD Preliminary Plans.
 2. In addition to the building materials requirements and restrictions listed in Section 17.06.050(F)(1) and 17.06.050(F)(2) of the Zoning Ordinance, all exterior siding materials on buildings constructed on the Subject Realty shall be cedar or equivalent wood or fiber cement siding and trim. Vinyl, aluminum or equivalent material shall not be used for siding or trim.
 3. All garage doors shall be "Designer Series" as shown on the PUD Preliminary Plans or an equivalent with comparable details and glass window panels.
 4. Detached Single-Family building elevations facing exterior side yards or pedestrian access ways (Lots 3, 4, 16, 17, 28 as shown in the PUD Preliminary Plan) shall include architectural detailing equivalent or better than the Character Side elevations shown in the PUD Preliminary Plans.
 5. The PUD Preliminary Plans have identified eight (8) character elevations for the detached single-family buildings and two (2) character elevations for the townhome buildings. The character elevation styles shall be interspersed such that a detached single-family building is not adjacent to more than one of the same

character elevation and the townhome buildings are approximately 50% of each character elevation.

6. Variations to the Character Elevations shown in the PUD Preliminary Plans may be reviewed and approved by the Director of Community Development as an Authorized Administrative Change in accordance with the provisions of Section 17.04.430.C of the Zoning Ordinance. Rearrangement/substitution of townhome unit types within the buildings shall be reviewed as an Administrative Change.

e. Landscaping

1. Perimeter site landscaping and all landscaping shown on common lots shall be reviewed as a part of the Final PUD Plan. All perimeter site landscaping, including any landscape bufferyards, shall be completed for each phase prior to the occupancy of any building, or portion thereof, in the phase.
2. Lot landscaping for the townhomes shall be reviewed as part of the building permit submittals.
3. Final Landscape Plans which provide comparable quality, quantity, and character but do not strictly comply with the Preliminary Plan may be reviewed and approved by the Director of Community Development as an Authorized Administrative Change in accordance with the provisions of Section 17.04.430.C of the Zoning Ordinance.

f. Owner's Association:

The Applicant will create one or more Owners Associations and create a Master Declaration of Covenants, Conditions & Restrictions that clearly identifies all responsibilities of the Owners Associations with respect to the use, maintenance and continued protection of common open space and improvements in the development, including, but not limited to, stormwater management facilities. The Declaration shall also regulate modifications to building architecture following the initial construction of the development. Such Declaration shall be in a form reasonably acceptable to the City and shall be recorded immediately following the recording of the Final Plat of Resubdivision for the Subject Realty.

g. School and Park Contributions:

The Applicant has agreed to convey, and the St. Charles Park District has agreed to accept, the .09-acre parcel fronting on 9th Street shown as Lot 59 on the PUD Preliminary Plan. The remainder of the Park and School contribution shall be provided as cash in lieu of land contribution in accordance with the provisions of Title 16 of the St. Charles Municipal Code, as the same may be amended from time to time. If the bedroom count used to calculate the initial cash contribution changes, the amount of the contribution shall be adjusted at the time of building permit.

h. Inclusionary Housing:

The Applicant has requested a deviation to the requirements of Chapter 17.18 of the Zoning Ordinance, Inclusionary Housing, to enable the development to begin construction without designating any affordable units or providing a fee-in-lieu contribution. The deviation request is hereby granted conditioned upon the Applicant executing and complying with the attached Affordable Housing Agreement, attached at Exhibit “F” for the duration of the project build out. In the event the Applicant fails to comply with the Affordable Housing Requirement at any time during the project build out, the requirements of Chapter 17.18 shall apply to the remaining housing units to be constructed.

- i. Subdivision Improvements: The following shall be constructed as a part of the initial Land Improvements for the development:
 1. Installation of a 10 inch water main as shown on the PUD Preliminary Plans (generally along Mark Street from 6th Street to 9th Street, along 9th Street south to State Street, continuing to the existing 10” water main near Dean Street, to complete a 10” water main loop through the development site). Following acceptance of the water main by the City, the City shall reimburse the Applicant for the actual cost to install the portion of the water main located offsite, including the cost to resurface existing streets which are not required to be reconstructed as a part of the development. Improvements to be reimbursed and the total maximum reimbursement shall be as specified in Exhibit G.
 2. Full improvement of 9th Street from State Street north into the development site, improved to the same standards as the streets within the development, including curb and gutter, storm sewer, sidewalks, street trees, and street lighting.
 3. Installation of a 5 ft. wide sidewalk on the north side of State Street, between 9th and 7th Streets, connecting to existing sidewalks at both intersections.
 4. Installation of missing sidewalk segments on 7th Street north of State Street.
- j. Off-site traffic contribution: Prior to the 65th occupancy permit, the applicant shall deposit with the City a cash contribution of \$200,000 to be used for off-site street or intersection improvements, at the sole discretion of the City Council.
- k. Ryan Street Right-of-Way: As a part of the Final Plat of Subdivision for the project, the City shall vacate the existing Ryan Street right-of-way located east of 9th Street and convey title of the property to the applicant. The City shall retain easements over any public utilities existing in the right-of-way.
- l. Future Ryan Street extension: As a part of the Final Plat of Subdivision for the project, applicant shall dedicate right-of-way for a future Ryan Street extension at the western end of the site (shown on the PUD Preliminary Plans as Lot 54). This property shall be maintained by the Owner’s Association for the development until such time the street is constructed and accepted by the City.

- m. Access Easements: As a part of the Final Plat of Subdivision for the project, the applicant shall provide public access easements for pedestrian paths shown on the PUD Preliminary Plans (paths connecting Ryan Street to 12th Street, Ryan Street to the St. Charles Park District site, and the two paths connecting Mark Street to the railroad right-of-way).
- n. Construction Route: Construction related traffic shall access the site by following a route from Main Street, to 9th Street, to State Street to 9th Street into the site. No construction traffic shall utilize Mark Street east of 5th Street; 5th, 6th or 7th Street south of the Subject Realty; or State Street east of 9th Street.
- o. Site Cleanup: Complete demolition and clearing of debris and structures and environmental remediation of the property shall occur in accordance with a schedule to be mutually agreed upon by the parties, as set forth in a separate development agreement with the City.
- p. The Applicant shall execute a Developer's Undertaking/Land Improvement Agreement in the City's standard form, and tender the security required therein prior to the recording of the Final Plat of Subdivision.
- q. Stormwater Special Service Area: Following recording of the Final Plat of Subdivision, the City shall initiate the formation of a Special Service Area for the purpose of maintaining and repairing stormwater management facilities and other facilities serving the Subject Realty. The Record Owner shall not sell or transfer ownership of any portion of the Subject Realty until such Special Service Area has been established. Such Special Service Area shall be of perpetual duration with a maximum rate sufficient to provide for maintenance, repair, and reconstruction of such facilities. Such Special Service Area may provide for maintenance by the City in the event that stormwater management facilities or other facilities are not adequately maintained by the Owner or successors.

Section 6. That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, expressly repealed.

Section 7. That this Ordinance shall become effective from and after its passage by a majority of all aldermen now holding office and approval in accordance with law.

PRESENTED to the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois this ____ day of _____, 2012.

PASSED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois this ____ day of _____, 2012.

APPROVED by the Mayor of the City of St. Charles, Kane and DuPage Counties, Illinois this ____ day of _____, 2012.

Donald P. DeWitte, Mayor

Attest:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

APPROVED AS TO FORM:

City Attorney

DATE: _____, 2012

EXHIBIT "A"
LEGAL DESCRIPTION OF SINGLE FAMILY PARCEL

PARCEL TO BE ZONED RT-3:

THAT PART OF THE SOUTHWEST 1/4 OF SECTION 27 AND THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTER LINE OF FIFTH STREET (STATE ROUTE 31) AS PLATTED IN THE CITY OF ST. CHARLES WITH THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN A WARRANTY DEED DATED JUNE 2, 1886, BETWEEN JOHN WARNE, AND OTHERS, AND THE MINNESOTA AND NORTHWESTERN RAILROAD COMPANY, FILED FOR RECORD IN THE RECORDER'S OFFICE OF KANE COUNTY ON JUNE 4, 1886, IN BOOK 243 ON PAGE 17; THENCE SOUTH 89 DEGREES 41 MINUTES 25 SECONDS WEST, BEING AN ASSUMED BEARING AND THE BASIS OF BEARINGS FOR THIS LEGAL DESCRIPTION, ALONG SAID LAST DESCRIBED SOUTH LINE, 362.12 FEET TO AN INTERSECTION WITH THE WEST RIGHT OF WAY LINE OF 6TH STREET, AS DELINEATED ON THE PLAT OF T.E. RYAN'S ADDITION TO THE CITY OF ST. CHARLES, ACCORDING TO THE PLAT THEREOF RECORDED JULY 11, 1889 AS DOCUMENT NUMBER 24117, ALSO BEING THE POINT OF BEGINNING OF THIS LEGAL DESCRIPTION; THENCE SOUTH 11 DEGREES 43 MINUTES 06 SECONDS EAST ALONG SAID LAST DESCRIBED WEST RIGHT OF WAY LINE, 186.93 FEET; THENCE NORTH 89 DEGREES 11 MINUTES 00 SECONDS WEST, 610.92 FEET; THENCE SOUTH 86 DEGREES 11 MINUTES 29 SECONDS WEST, 58.19 FEET; THENCE NORTH 89 DEGREES 08 MINUTES 14 SECONDS WEST, 108.55 FEET TO AN INTERSECTION WITH THE NORTHERLY EXTENSION OF THE CENTER LINE OF 9TH STREET, AS DELINEATED ON THE PLAT OF MILLINGTON THIRD ADDITION TO ST. CHARLES, ACCORDING TO THE PLAT THEREOF RECORDED MAY 4, 1926 AS DOCUMENT NUMBER 272865; THENCE NORTH 00 DEGREES 55 MINUTES 11 SECONDS WEST ALONG SAID LAST DESCRIBED NORTHERLY EXTENSION, 120.17 FEET TO A POINT OF CURVATURE; THENCE WESTERLY ALONG A NON TANGENT CURVED LINE, CONCAVE NORTH, HAVING A RADIUS OF 101.50 FEET, AN ARC LENGTH OF 43.61 FEET (THE CHORD TO SAID CURVED LINE BEARS NORTH 74 DEGREES 51 MINUTES 47 SECONDS WEST, 43.28 FEET) TO A POINT OF REVERSE CURVATURE; THENCE WESTERLY ALONG A CURVED LINE, CONCAVE SOUTH, HAVING A RADIUS OF 130.00 FEET, AN ARC LENGTH OF 60.42 FEET (THE CHORD TO SAID CURVED LINE BEARS NORTH 75 DEGREES 52 MINUTES 06 SECONDS WEST, 59.88 FEET); THENCE NORTH 89 DEGREES 11 MINUTES 00 SECONDS WEST, 58.51 FEET; THENCE NORTH 00 DEGREES 49 MINUTES 00 SECONDS EAST, 140.96 FEET TO A POINT ON A LINE THAT IS 50.0 FEET SOUTH OF AND PARALLEL WITH THE CENTER LINE OF THE MAIN TRACK OF THE CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY (A.K.A. UNION PACIFIC RAILROAD); THENCE SOUTH 89 DEGREES 11 MINUTES 00 SECONDS EAST ALONG SAID LAST DESCRIBED PARALLEL LINE, 932.55 FEET; THENCE SOUTH 00 DEGREES 49 MINUTES 00 SECONDS WEST, 97.84 FEET TO AN INTERSECTION WITH THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN A WARRANTY DEED DATED JUNE 2, 1886 AFORESAID; THENCE SOUTH 89 DEGREES 41 MINUTES 25 SECONDS WEST ALONG SAID LAST DESCRIBED SOUTH LINE, 33.30 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

EXHIBIT "B"
LEGAL DESCRIPTION OF TOWNHOME PARCEL

PARCEL TO BE ZONED RM-2:

LOT 2 (EXCEPT THE SOUTHERLY 116 FEET), ALL OF LOTS 3 AND 4 IN BLOCK 2 OF T. E. RYAN'S ADDITION TO ST. CHARLES, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

-- TOGETHER WITH --

LOTS 1, 2, 3, 4, 5, 6 AND 7 IN BLOCK 1 AND LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 AND 18 IN BLOCK 2; LOTS 1, 2, 3, 4, 5 AND 6 IN BLOCK 3 AND LOTS 1, 2, 3, 4, 5 (EXCEPT THAT PART OF LOT 5 CONVEYED BY DOCUMENT 1788487 RECORDED AUGUST 19, 1986) AND THE NORTH 30 FEET OF LOT 11 IN BLOCK 5, AND THAT PART OF VACATED NINTH STREET NORTH OF THE SOUTH LINE EXTENDED EASTERLY OF LOT 5 IN SAID BLOCK 5 AND VACATED MARK STREET, AND THE NORTH 1/2 OF VACATED RYAN STREET LYING EASTERLY OF THE WESTERLY LINE OF LOT 13, BLOCK 2 EXTENDED AND LYING WESTERLY OF THE WESTERLY LINE OF SEVENTH STREET, ALL IN MILLINGTON'S THIRD ADDITION TO ST. CHARLES, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

-- TOGETHER WITH --

THAT PART OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE WEST LINE OF SAID SOUTHEAST 1/4 WITH THE NORTHERLY LINE OF DEAN STREET; THENCE SOUTH 66 DEGREES 13 MINUTES 00 SECONDS EAST ALONG THE NORTHERLY LINE OF SAID DEAN STREET, 1043 FEET; THENCE NORTH 2 DEGREES 44 MINUTES 00 SECONDS EAST, 150 FEET (SAID POINT HEREINAFTER REFERRED TO AS POINT "A"); THENCE SOUTH 64 DEGREES 34 MINUTES 00 SECONDS EAST, 149.92 FEET; THENCE NORTH 01 DEGREES 31 MINUTES 00 SECONDS WEST, 62 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 01 DEGREES 31 MINUTES 00 SECONDS WEST, 651.43 FEET; THENCE SOUTH 89 DEGREES 45 MINUTES 00 SECONDS WEST, 135.80 FEET; THENCE NORTH, 7.90 FEET; THENCE SOUTH 89 DEGREES 20 MINUTES 00 SECONDS WEST, 282.40 FEET; THENCE SOUTH 00 DEGREES, 27 MINUTES, 10 SECONDS WEST 490.78 FEET; THENCE EAST, 106 FEET; THENCE SOUTH, 67.19 FEET TO A LINE DRAWN NORTH 64 DEGREES 34 MINUTES 00 SECONDS WEST FROM POINT "A" AFORESAID; THENCE SOUTH 64 DEGREES 34 MINUTES 00 SECONDS EAST, 19.73 FEET; THENCE SOUTH 74 DEGREES 16 MINUTES 30 SECONDS EAST, 327.76 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

-- TOGETHER WITH --

THAT PART OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTHEAST 1/4; THENCE EAST, 396.08 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID SOUTHEAST 1/4 TO A POINT 150 FEET NORTH OF THE NORTHERLY LINE OF DEAN STREET FOR THE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES 13 MINUTES 00 SECONDS EAST, PARALLEL WITH THE NORTHERLY LINE OF DEAN STREET, 208.7 FEET (THIS COURSE HEREINAFTER REFERRED TO AS LINE "A") THENCE EAST, 69 FEET; THENCE NORTH 00 DEGREES 27 MINUTES 10 SECONDS EAST, 60 FEET; THENCE WEST, 56.84 FEET TO A LINE DRAWN PARALLEL WITH AND 60 FEET NORTHERLY OF, MEASURED AT RIGHT ANGLES THERETO, LINE "A" AFORESAID; THENCE NORTH 66 DEGREES 13 MINUTES 00 SECONDS WEST ALONG SAID PARALLEL LINE, 222.51 FEET TO A LINE DRAWN NORTH, PARALLEL WITH THE WEST LINE OF SAID SOUTHEAST 1/4, FROM THE POINT OF BEGINNING; THENCE SOUTH ALONG SAID PARALLEL LINE, 65.57 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

-- TOGETHER WITH --

THAT PART OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF BLOCK 2 OF MILLINGTON'S ADDITION TO THE TOWN OF ST. CHARLES; THENCE NORTH 11 DEGREES 37 MINUTES 00 SECONDS WEST ALONG THE EASTERLY LINE OF WEST SEVENTH STREET EXTENDED, 356 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 78 DEGREES 46 MINUTES 00 SECONDS EAST, 186.2 FEET TO THE WESTERLY LINE OF BLOCK 2 OF T. E. RYAN'S ADDITION TO ST. CHARLES; THENCE NORTH 11 DEGREES 48 MINUTES 00 SECONDS WEST

ALONG SAID WESTERLY LINE, 481.9 FEET TO THE SOUTH RIGHT OF WAY LINE OF THE CHICAGO AND GREAT WESTERN RAILWAY; THENCE SOUTH 89 DEGREES 30 MINUTES 00 SECONDS WEST ALONG SAID RIGHT OF WAY LINE TO THE NORTHEAST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID MILLINGTON'S THIRD ADDITION TO THE SOUTHEAST CORNER OF BLOCK 2 IN SAID ADDITION; THENCE EASTERLY ALONG THE SOUTHERLY LINE EXTENDED EASTERLY OF SAID BLOCK 2 TO THE EASTERLY LINE OF WEST SEVENTH STREET EXTENDED; THENCE SOUTH 11 DEGREES 37 MINUTES 00 SECONDS EAST ALONG SAID EASTERLY LINE TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

-- TOGETHER WITH --

THAT PART OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES, ON THE NORTHERLY LINE OF DEAN STREET; THENCE NORTH 66 DEGREES 07 MINUTES 00 SECONDS WEST ALONG SAID NORTHERLY LINE OF DEAN STREET, 335.3 FEET TO THE SOUTHEAST CORNER OF THE TRACT OF LAND CONVEYED TO JULES VANOVERMEIREN BY DEED DATED DECEMBER 18, 1925, AND RECORDED DECEMBER 26, 1925 IN BOOK 788, PAGE 548, AS DOCUMENT 266367; THENCE NORTH ALONG THE EAST LINE AND THE EAST LINE EXTENDED OF SAID TRACT OF LAND, 174 FEET; THENCE NORTH 60 DEGREES 19 MINUTES 00 SECONDS WEST, 168.19 FEET; THENCE NORTH 01 DEGREES 29 MINUTES 00 SECONDS WEST, 188.59 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 01 DEGREES 29 MINUTES 00 SECONDS WEST, 479.71 FEET TO THE SOUTHERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND GREAT WESTERN RAILROAD COMPANY; THENCE NORTH 89 DEGREES 31 MINUTES 00 SECONDS EAST ALONG SAID SOUTHERLY RIGHT OF WAY LINE, 456.2 FEET TO THE NORTHWEST CORNER OF SAID MILLINGTON'S THIRD ADDITION; THENCE SOUTH 01 DEGREE EAST ALONG THE WEST LINE OF SAID ADDITION, 285 FEET; THENCE SOUTH 89 DEGREES 31 MINUTES 00 SECONDS WEST, 132 FEET; THENCE SOUTH 01 DEGREE 04 MINUTES 00 SECONDS EAST, 255.77 FEET TO A POINT SOUTH 80 DEGREES 02 MINUTES 00 SECONDS EAST FROM THE POINT OF BEGINNING; THENCE NORTH 80 DEGREES 02 MINUTES 00 SECONDS WEST, 325.65 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS, EXCEPTING THEREFROM THE FOLLOWING: THAT PART OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES, KANE COUNTY, ILLINOIS; THENCE SOUTH 1 DEGREE 04 MINUTES 00 SECONDS EAST ALONG THE WEST LINE OF SAID ADDITION, 285.0 FEET; THENCE SOUTH 89 DEGREES 31 MINUTES 00 SECONDS WEST, 132.0 FEET; THENCE SOUTH 01 DEGREES 04 MINUTES 00 SECONDS EAST PARALLEL WITH SAID WEST LINE 255.77 FEET FOR A POINT OF BEGINNING; THENCE NORTH 01 DEGREE 04 MINUTES 00 SECONDS WEST ALONG THE LAST DESCRIBED COURSE, 255.77 FEET; THENCE SOUTH 89 DEGREES 31 MINUTES 00 SECONDS WEST, 100.00 FEET; THENCE SOUTH 01 DEGREE 04 MINUTES 00 SECONDS EAST PARALLEL WITH SAID WEST LINE, 237.41 FEET TO A LINE DRAWN NORTH 80 DEGREES 06 MINUTES 00 SECONDS WEST FROM THE POINT OF BEGINNING; THENCE SOUTH 80 DEGREES 06 MINUTES 00 SECONDS EAST, 101.86 FEET TO THE POINT OF BEGINNING (EXCEPT THAT PART CONVEYED BY DOCUMENT 1788487 RECORDED AUGUST 19, 1986), IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

-- TOGETHER WITH --

THAT PART OF THE SOUTHWEST 1/4 OF SECTION 27 AND THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF FIFTH STREET (STATE ROUTE 31) AS PLATTED IN THE CITY OF ST. CHARLES WITH THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN A WARRANTY DEED DATED JUNE 2, 1886, BETWEEN JOHN WARNE, AND OTHERS, AND THE MINNESOTA AND NORTH WESTERN RAILROAD COMPANY, FILED FOR RECORD IN THE RECORDER'S OFFICE OF KANE COUNTY ON JUNE 4, 1886, IN BOOK 243 ON PAGE 17; THENCE WESTERLY ALONG THE SOUTH LINE BY SAID WARRANTY DEED, BEING ALONG THE SOUTH RIGHT OF WAY LINE OF THE CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY, A DISTANCE OF 1857.64 FEET TO A JOG IN SAID SOUTH RIGHT OF WAY LINE; THENCE NORTHERLY ALONG SAID JOG, A DISTANCE OF 7.90 FEET; THENCE WESTERLY ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 282.85 FEET TO A JOG IN SAID SOUTH RIGHT OF WAY LINE; THENCE

NORTHERLY, ALONG SAID JOG, A DISTANCE OF 127.46 FEET TO A POINT ON A LINE THAT IS 50.0 FEET SOUTH OF AND PARALLEL WITH THE CENTER LINE OF THE MAIN TRACK OF THE CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY; THENCE EASTERLY ALONG SAID PARALLEL LINE, A DISTANCE OF 2126.02 FEET TO THE CENTER LINE OF 5TH STREET (STATE ROUTE 31) AS AFORESAID; THENCE SOUTHEASTERLY ALONG SAID CENTER LINE, A DISTANCE OF 93.59 FEET TO THE POINT OF BEGINNING, BEING SITUATED IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS EXCEPTING THEREFROM THE FOLLOWING DESCRIBED LAND: THAT PART OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF LAND CONVEYED TO THE CITY OF ST. CHARLES BY DOCUMENT NO. 910272, SAID POINT BEING 50.00 FEET NORMALLY DISTANT SOUTHERLY FROM THE UNION PACIFIC RAILROAD MAIN TRACK CENTER LINE; THENCE SOUTH 89 DEGREES 11 MINUTES EAST, 76.35 FEET, PARALLEL WITH SAID MAIN TRACK CENTER LINE; THENCE SOUTH 01 DEGREES 53 MINUTES EAST, 60.06 FEET, PARALLEL WITH THE EAST LINE OF SAID LAND CONVEYED BY DOCUMENT NO. 910272; THENCE NORTH 89 DEGREES 11 MINUTES WEST, 76.35 FEET TO THE SOUTHEAST CORNER OF SAID DOCUMENT NO. 910272; THENCE NORTH 01 DEGREE 53 MINUTES WEST, 60.06 FEET ALONG THE EAST LINE OF SAID DOCUMENT NO. 910272 TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

-- EXCEPTING THEREFROM ALL OF THE ABOVE --

THAT PART OF THE SOUTHWEST 1/4 OF SECTION 27 AND THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTER LINE OF FIFTH STREET (STATE ROUTE 31) AS PLATTED IN THE CITY OF ST. CHARLES WITH THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN A WARRANTY DEED DATED JUNE 2, 1886, BETWEEN JOHN WARNE, AND OTHERS, AND THE MINNESOTA AND NORTHWESTERN RAILROAD COMPANY, FILED FOR RECORD IN THE RECORDER'S OFFICE OF KANE COUNTY ON JUNE 4, 1886, IN BOOK 243 ON PAGE 17; THENCE SOUTH 89 DEGREES 41 MINUTES 25 SECONDS WEST, BEING AN ASSUMED BEARING AND THE BASIS OF BEARINGS FOR THIS LEGAL DESCRIPTION, ALONG SAID LAST DESCRIBED SOUTH LINE, 362.12 FEET TO AN INTERSECTION WITH THE WEST RIGHT OF WAY LINE OF 6TH STREET, AS DELINEATED ON THE PLAT OF T.E. RYAN'S ADDITION TO THE CITY OF ST. CHARLES, ACCORDING TO THE PLAT THEREOF RECORDED JULY 11, 1889 AS DOCUMENT NUMBER 24117, ALSO BEING THE POINT OF BEGINNING OF THIS LEGAL DESCRIPTION; THENCE SOUTH 11 DEGREES 43 MINUTES 06 SECONDS EAST ALONG SAID LAST DESCRIBED WEST RIGHT OF WAY LINE, 186.93 FEET; THENCE NORTH 89 DEGREES 11 MINUTES 00 SECONDS WEST, 610.92 FEET; THENCE SOUTH 86 DEGREES 11 MINUTES 29 SECONDS WEST, 58.19 FEET; THENCE NORTH 89 DEGREES 08 MINUTES 14 SECONDS WEST, 108.55 FEET TO AN INTERSECTION WITH THE NORTHERLY EXTENSION OF THE CENTER LINE OF 9TH STREET, AS DELINEATED ON THE PLAT OF MILLINGTON THIRD ADDITION TO ST. CHARLES, ACCORDING TO THE PLAT THEREOF RECORDED MAY 4, 1926 AS DOCUMENT NUMBER 272865; THENCE NORTH 00 DEGREES 55 MINUTES 11 SECONDS WEST ALONG SAID LAST DESCRIBED NORTHERLY EXTENSION, 120.17 FEET TO A POINT OF CURVATURE; THENCE WESTERLY ALONG A NON TANGENT CURVED LINE, CONCAVE NORTH, HAVING A RADIUS OF 101.50 FEET, AN ARC LENGTH OF 43.61 FEET (THE CHORD TO SAID CURVED LINE BEARS NORTH 74 DEGREES 51 MINUTES 47 SECONDS WEST, 43.28 FEET) TO A POINT OF REVERSE CURVATURE; THENCE WESTERLY ALONG A CURVED LINE, CONCAVE SOUTH, HAVING A RADIUS OF 130.00 FEET, AN ARC LENGTH OF 60.42 FEET (THE CHORD TO SAID CURVED LINE BEARS NORTH 75 DEGREES 52 MINUTES 06 SECONDS WEST, 59.88 FEET); THENCE NORTH 89 DEGREES 11 MINUTES 00 SECONDS WEST, 58.51 FEET; THENCE NORTH 00 DEGREES 49 MINUTES 00 SECONDS EAST, 140.96 FEET TO A POINT ON A LINE THAT IS 50.0 FEET SOUTH OF AND PARALLEL WITH THE CENTER LINE OF THE MAIN TRACK OF THE CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY (A.K.A. UNION PACIFIC RAILROAD); THENCE SOUTH 89 DEGREES 11 MINUTES 00 SECONDS EAST ALONG SAID LAST DESCRIBED PARALLEL LINE, 932.55 FEET; THENCE SOUTH 00 DEGREES 49 MINUTES 00 SECONDS WEST, 97.84 FEET TO AN INTERSECTION WITH THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN A WARRANTY DEED DATED JUNE 2, 1886 AFORESAID; THENCE SOUTH 89 DEGREES 41 MINUTES 25 SECONDS WEST ALONG SAID LAST DESCRIBED SOUTH LINE, 33.30 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

EXHIBIT "C"

LEGAL DESCRIPTION OF SUBJECT REALTY

SUBJECT PROPERTY:

PARCEL ONE:

LOT 2 (EXCEPT THE SOUTHERLY 116 FEET); ALL OF LOTS 3 AND 4 IN BLOCK 2 OF T. E. RYAN'S ADDITION TO ST. CHARLES, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL TWO:

LOTS 1, 2, 3, 4, 5, 6 AND 7 IN BLOCK 1 AND LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 AND 18 IN BLOCK 2; LOTS 1, 2, 3, 4, 5 AND 6 IN BLOCK 3 AND LOTS 1, 2, 3, 4, 5 (EXCEPT THAT PART OF LOT 5 CONVEYED BY DOCUMENT 1788487 RECORDED AUGUST 19, 1986) AND THE NORTH 30 FEET OF LOT 11 IN BLOCK 5, AND THAT

PART OF VACATED NINTH STREET NORTH OF THE SOUTH LINE EXTENDED EASTERLY OF LOT 5 IN SAID BLOCK 5 AND VACATED MARK STREET, AND THE NORTH 1/2 OF VACATED RYAN STREET LYING EASTERLY OF THE WESTERLY LINE OF LOT 13, BLOCK 2 EXTENDED AND LYING WESTERLY OF THE WESTERLY LINE OF SEVENTH STREET, ALL IN MILLINGTON'S THIRD ADDITION TO ST. CHARLES, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL THREE:

THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE WEST LINE OF SAID SOUTH EAST 1/4 WITH THE NORTHERLY LINE OF DEAN STREET; THENCE SOUTH 66 DEGREES, 13 MINUTES, 0 SECONDS EAST ALONG THE NORTHERLY LINE OF SAID DEAN STREET 1043 FEET; THENCE NORTH 2 DEGREES, 44 MINUTES, 0 SECONDS EAST 150 FEET (SAID POINT HEREINAFTER REFERRED TO AS POINT "A"); THENCE SOUTH 64 DEGREES, 34 MINUTES, 0 SECONDS EAST 149.92 FEET; THENCE NORTH 1 DEGREES, 31 MINUTES, 0 SECONDS WEST, 62 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 1 DEGREES, 31 MINUTES, 0 SECONDS WEST, 651.43 FEET; THENCE SOUTH 89 DEGREES, 45 MINUTES, 0 SECONDS WEST 135.80 FEET; THENCE NORTH 7.90 FEET; THENCE SOUTH 89 DEGREES, 20 MINUTES, 0 SECONDS WEST 282.40 FEET; THENCE SOUTH 00 DEGREES, 27 MINUTES, 10 SECONDS WEST 490.78 FEET; THENCE EAST 106 FEET; THENCE SOUTH 67.19 FEET TO A LINE DRAWN NORTH 64 DEGREES, 34 MINUTES, 0 SECONDS WEST FROM POINT "A" AFORESAID; THENCE SOUTH 64 DEGREES, 34 MINUTES, 0 SECONDS EAST 19.73 FEET; THENCE SOUTH 74 DEGREES, 16 MINUTES, 30 SECONDS EAST 327.76 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL FOUR:

THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH EAST 1/4; THENCE EAST 396.08 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID SOUTH EAST 1/4 TO A POINT 150 FEET NORTH OF THE NORTHERLY LINE OF DEAN STREET, FOR THE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES, 13 MINUTES, 0 SECONDS EAST PARALLEL WITH THE NORTHERLY LINE OF DEAN STREET, 208.7 FEET (THIS COURSE HEREINAFTER REFERRED TO AS LINE "A") THENCE EAST 69 FEET; THENCE NORTH 0 DEGREES, 27 MINUTES, 10 SECONDS EAST 60 FEET; THENCE WEST 56.84 FEET TO A LINE DRAWN PARALLEL WITH AND 60 FEET NORTHERLY OF, MEASURED AT RIGHT ANGLES THERETO, LINE "A" AFORESAID; THENCE NORTH 66 DEGREES, 13 MINUTES, 0 SECONDS WEST ALONG SAID PARALLEL LINE, 222.51 FEET TO A LINE DRAWN NORTH, PARALLEL WITH THE WEST LINE OF SAID SOUTH EAST 1/4, FROM THE POINT OF BEGINNING; THENCE SOUTH ALONG SAID PARALLEL LINE 65.57 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL FIVE:

THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF BLOCK 2 OF MILLINGTON'S ADDITION TO THE TOWN OF ST. CHARLES; THENCE NORTH 11 DEGREES, 37 MINUTES, 0 SECONDS WEST ALONG THE EASTERLY LINE OF WEST SEVENTH STREET EXTENDED, 356 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 78

DEGREES, 46 MINUTES, 0 SECONDS EAST 186.2 FEET TO THE WESTERLY LINE OF BLOCK 2 OF T. E. RYAN'S ADDITION TO ST. CHARLES; THENCE NORTH 11 DEGREES, 48 MINUTES, 0 SECONDS WEST ALONG SAID WESTERLY LINE 481.9 FEET TO THE SOUTH RIGHT OF WAY LINE OF THE CHICAGO AND GREAT WESTERN RAILWAY; THENCE SOUTH 89 DEGREES, 30 MINUTES, 0 SECONDS WEST ALONG SAID RIGHT OF WAY LINE TO THE NORTHEAST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID MILLINGTON'S THIRD ADDITION TO THE SOUTHEAST CORNER OF BLOCK 2 IN SAID ADDITION; THENCE EASTERLY ALONG THE SOUTHERLY LINE EXTENDED EASTERLY OF SAID BLOCK 2 TO THE EASTERLY LINE OF WEST SEVENTH STREET EXTENDED; THENCE SOUTH 11 DEGREES, 37 MINUTES, 0 SECONDS EAST ALONG SAID EASTERLY LINE TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL SIX:

THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES, ON THE NORTHERLY LINE OF DEAN STREET; THENCE NORTH 66 DEGREES, 07 MINUTES, 0 SECONDS WEST ALONG SAID NORTHERLY LINE OF DEAN STREET 335.3 FEET TO THE SOUTHEAST CORNER OF THE TRACT OF LAND CONVEYED TO JULES VANOVERMEIREN BY DEED DATED DECEMBER 18, 1925, AND RECORDED DECEMBER 26, 1925 IN BOOK 788, PAGE 548, AS DOCUMENT 266367; THENCE NORTH ALONG THE EAST LINE AND THE EAST LINE EXTENDED OF SAID TRACT OF LAND 174 FEET; THENCE NORTH 60 DEGREES, 19 MINUTES, 0 SECONDS WEST, 168.19 FEET; THENCE NORTH 1 DEGREES, 29 MINUTES, 0 SECONDS WEST 188.59 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 1 DEGREES, 29 MINUTES, 0 SECONDS WEST 479.71 FEET TO THE SOUTHERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND GREAT WESTERN RAILROAD COMPANY; THENCE NORTH 89 DEGREES, 31 MINUTES, 0 SECONDS EAST ALONG SAID SOUTHERLY RIGHT OF WAY LINE, 456.2 FEET TO THE NORTHWEST CORNER OF SAID MILLINGTON'S THIRD ADDITION; THENCE SOUTH 1 DEGREE EAST ALONG THE WEST LINE OF SAID ADDITION 285 FEET; THENCE SOUTH 89 DEGREES, 31 MINUTES, 0 SECONDS WEST 132 FEET; THENCE SOUTH 1 DEGREES, 04 MINUTES, 0 SECONDS EAST 255.77 FEET TO A POINT SOUTH 80 DEGREES, 02 MINUTES, 0 SECONDS EAST FROM THE POINT OF BEGINNING; THENCE NORTH 80 DEGREES, 02 MINUTES, 0 SECONDS WEST 325.65 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS, EXCEPTING THEREFROM THE FOLLOWING: THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES, KANE COUNTY, ILLINOIS; THENCE SOUTH 1 DEGREES, 04 MINUTES, 0 SECONDS EAST ALONG THE WEST LINE OF SAID ADDITION 285.0 FEET; THENCE SOUTH 89 DEGREES, 31 MINUTES, 0 SECONDS WEST 132.0 FEET; THENCE SOUTH 1 DEGREES, 04 MINUTES, 0 SECONDS EAST PARALLEL WITH SAID WEST LINE 255.77 FEET FOR A POINT OF BEGINNING; THENCE NORTH 1 DEGREES, 04 MINUTES, 0 SECONDS WEST ALONG THE LAST DESCRIBED COURSE 255.77 FEET; THENCE SOUTH 89 DEGREES, 31 MINUTES, 0 SECONDS WEST 100.00 FEET; THENCE SOUTH 1 DEGREES, 04 MINUTES, 0 SECONDS EAST PARALLEL WITH SAID WEST LINE 237.41 FEET TO A LINE DRAWN NORTH 80 DEGREES, 06 MINUTES, 0 SECONDS WEST FROM THE POINT OF BEGINNING; THENCE SOUTH 80 DEGREES, 06 MINUTES, 0 SECONDS EAST 101.86 FEET TO THE POINT OF BEGINNING (EXCEPT THAT PART CONVEYED BY DOCUMENT 1788487 RECORDED AUGUST 19, 1986), IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL SEVEN:

EASEMENT FOR PRIVATE ROADWAY RESERVED BY DEED RECORDED JULY 16, 1957, IN BOOK 1855, PAGE 119, AS DOCUMENT 839306, MADE BY HAWLEY PRODUCT COMPANY TO CARL E. SODERQUIST AND SONS FOR THE BENEFIT OF THE NORTH 30 FEET OF LOT 11 IN BLOCK 5 OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES IN PARCEL TWO, OVER THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES; THENCE SOUTH 1 DEGREE EAST ALONG THE WEST LINE OF SAID ADDITION 535 FEET FOR THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 1 DEGREE EAST 30 FEET; THENCE NORTH 80 DEGREES, 02 MINUTES, 0 SECONDS WEST 134.45 FEET; THENCE NORTH 1 DEGREE WEST PARALLEL WITH THE WEST LINE OF SAID ADDITION

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30 FEET; THENCE SOUTH 80 DEGREES, 02 MINUTES, 0 SECONDS EAST 134.45 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL EIGHT:

THAT PART OF THE SOUTHWEST 1/4 OF SECTION 27 AND THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF FIFTH STREET (STATE ROUTE 31) AS PLATTED IN THE CITY OF ST. CHARLES WITH THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN A WARRANTY DEED DATED JUNE 2, 1886, BETWEEN JOHN WARNE, AND OTHERS, AND THE MINNESOTA AND NORTH WESTERN RAILROAD COMPANY, FILED FOR RECORD IN THE RECORDER'S OFFICE OF KANE COUNTY ON JUNE 4, 1886, IN BOOK 243 ON PAGE 17; THENCE WESTERLY ALONG THE SOUTH LINE BY SAID WARRANTY DEED, BEING ALONG THE SOUTH RIGHT OF WAY LINE OF THE CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY, A DISTANCE OF 1857.64 FEET TO A JOG IN SAID SOUTH RIGHT OF WAY LINE; THENCE NORTHERLY ALONG SAID JOG, A DISTANCE OF 7.90 FEET; THENCE WESTERLY ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 282.85 FEET TO A JOG IN SAID SOUTH RIGHT OF WAY LINE; THENCE NORTHERLY, ALONG SAID JOG, A DISTANCE OF 127.46 FEET TO A POINT ON A LINE THAT IS 50.0 FEET SOUTH OF AND PARALLEL WITH THE CENTER LINE OF THE MAIN TRACK OF THE CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY; THENCE EASTERLY ALONG SAID PARALLEL LINE, A DISTANCE OF 2126.02 FEET TO THE CENTER LINE OF 5TH STREET (STATE ROUTE 31) AS AFORESAID; THENCE SOUTHEASTERLY ALONG SAID CENTER LINE, A DISTANCE OF 93.59 FEET TO THE POINT OF BEGINNING, BEING SITUATED IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS EXCEPTING THEREFROM THE FOLLOWING DESCRIBED LAND THAT PART OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF LAND CONVEYED TO THE CITY OF ST. CHARLES BY DOCUMENT NO. 910272, SAID POINT BEING 50.00 FEET NORMALLY DISTANT SOUTHERLY FROM THE UNION PACIFIC RAILROAD MAIN TRACK CENTER LINE; THENCE SOUTH 89 DEGREES 11 MINUTES EAST, 76.35 FEET, PARALLEL WITH SAID MAIN TRACK CENTER LINE; THENCE SOUTH 1 DEGREES 53 MINUTES EAST, 60.06 FEET, PARALLEL WITH THE EAST LINE OF SAID LAND CONVEYED BY DOCUMENT NO. 910272; THENCE NORTH 89 DEGREES 11 MINUTES WEST, 76.35 FEET TO THE SOUTHEAST CORNER OF SAID DOCUMENT NO. 910272; THENCE NORTH 1 DEGREE 53 MINUTES WEST, 60.06 FEET ALONG THE EAST LINE OF SAID DOCUMENT NO. 910272 TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

EXHIBIT “D-1”

FINDINGS OF FACT FOR MAP AMENDMENT

Plan Commission recommendation shall be based upon the preponderance of the evidence presented and the Commission shall not be required to find each Finding of Fact in the affirmative to recommend approval of an application for Map Amendment.

1. The existing uses and zoning of nearby property.

The property is surrounded by both residential and manufacturing uses and zoning. Areas to the north and south of the site are primarily residential. Areas to the east and west contain a mix of residential and industrial land uses.

2. The extent to which property values are diminished by the existing zoning restrictions.

It is not known if the existing zoning restriction is diminishing property values in the area. Industrial uses are generally considered to be incompatible with single-family residential uses, which may cause property values surrounding the site to be diminished.

3. The extent to which the reduction of the property’s value under the existing zoning restrictions promotes the health, safety, morals or general welfare of the public.

The current zoning restriction has not produced any perceptible public benefits during the last 5 years that the property has remained vacant. The property is in a deteriorated state and is environmentally contaminated. Under the existing zoning, the property could be developed with industrial uses that may be incompatible with the surrounding neighborhood, which is primarily residential.

4. The suitability of the property for the purposes for which it is presently zoned, i.e. the feasibility of developing the property for one or more of the uses permitted under the existing zoning classification.

The property is not well suited for industrial use. The property was originally used for industrial purposes because of its proximity to the railroad. The railroad line is no longer active and is in the process of abandonment. Access to the site requires use of minor streets and crossing through a residential neighborhood. The site has limited visibility from any arterial or collector street.

5. The length of time that the property has been vacant, as presently zoned, considered in the context of the land development in the area where the property is located.

Applied Composites closed and vacated the property in 2005. The property has remained vacant. Some of the structures on the site were torn down in 2008 and other structures were recently demolished in 2011. The area surrounding the site is mostly developed.

6. The evidence, or lack of evidence, of the community’s need for the uses permitted under the proposed district.

Higher quality and better suited industrial sites surrounded by similar land uses are available elsewhere in the community. The proximity of the property relative to the Downtown area makes the property more desirable for residential use.

7. The consistency of the proposed amendment with the City's Comprehensive Plan.

In 2008 the City adopted an amendment to the Comprehensive Plan which designated a future land use for the site of "Medium Residential", with a gross density range of 2.5 to 6.5 dwelling units per acre. The proposed zoning districts of RT-2 (net 8.7 du/acre) and RM-2 (net 10 du/acre), after accounting for street rights-of-way and land for stormwater detention, will result in an overall gross density within the range recommended by the Comprehensive Plan.

8. Whether the proposed amendment corrects an error or omission in the Zoning Map.

No, the proposed amendment does not correct an error or omission in the Zoning Map.

9. The extent to which the proposed amendment creates nonconformities.

No non-conformities will be created by the Map Amendment.

10. The trend of development, if any, in the general area of the property in question.

There is no perceptible trend of development in the area. The subject property represents a substantial portion of the land area of the neighborhood and has been vacant for 5 years. The neighborhood surrounding the site is otherwise stable.

EXHIBIT “D-2”

FINDINGS OF FACT FOR SPECIAL USE FOR PLANNED UNIT DEVELOPMENT

From the St. Charles Zoning Ordinance, Section 17.04.410.D.3:

The Plan Commission shall not favorably recommend, and the City Council shall not approve, a Special Use for a PUD or an amendment to a Special Use for a PUD unless they each make findings of fact based on the application and the evidence presented at the public hearing that the PUD is in the public interest, based on the following criteria:

1. The proposed PUD advances one or more of the purposes of the Planned Unit Development procedure stated in Section 17.04.400.A:

1. To promote a creative approach to site improvements and building design that results in a distinctive, attractive development that has a strong sense of place, yet becomes an integral part of the community.

The PUD Preliminary Plans provide for a modified grid street pattern connected to existing access locations. The development plan is more “suburban” in layout and building form than recommended in the Comprehensive Plan.

2. To create places oriented to the pedestrian that promote physical activity and social interaction, including but not limited to walkable neighborhoods, usable open space and recreational facilities for the enjoyment of all.

The PUD Preliminary Plans interconnect all existing streets that currently terminate at the site. Complete sidewalks systems connect with the existing sidewalk grid in the neighborhood. Off-site sidewalks will be constructed on 7th Street, 9th Street, and along State Street between 7th and 9th Street to complete the sidewalk grid between the site and the neighborhood. The PUD Preliminary Plans provide recreational facilities in the form of the pedestrian/bike path connections off site to a future regional trail on the railroad right-of-way, a trail to the St. Charles Park District park site, and a trail connecting to 12th Street.

3. To encourage a harmonious mix of land uses and a variety of housing types and prices.

The PUD provides residential land uses that are compatible with the adjacent residential neighborhood. The residential land uses are not compatible with isolated industrial properties that adjoin the site. However, the Comprehensive Plan recommends a future land use of “Medium Residential” for the properties at 229 N. 9th Street and 602 N. 12th Street.

The PUD provides two different housing types within the site, but with limited variation within each category. The PUD does not provide any affordable residential units, which is a requirement of the Zoning Ordinance.

4. To preserve native vegetation, topographic and geological features, and environmentally sensitive areas.

The property has been previously developed. The PUD Preliminary Plans generally leave the State Street Creek and wooded areas south of the creek undisturbed.

5. To promote the economical development and efficient use of land, utilities, street improvements, drainage facilities, structures and other facilities.

The PUD Preliminary Plans include engineering plans for infrastructure facilities to serve the site. The plans follow City Code requirements for subdivisions and stormwater management. The Illinois EPA will require that environmental contamination of the property be remediated prior to development for residential use.

6. To encourage redevelopment of sites containing obsolete or inappropriate buildings or uses.

The Planned Unit Development will facilitate the redevelopment of a vacant site containing obsolete and deteriorated site improvements.

7. To encourage a collaborative process among developers, neighboring property owners and residents, governmental bodies and the community.

Neighborhood meetings were held in 2006 and 2007 to consider the future land use of the subject property. A Comprehensive Plan amendment was reviewed and adopted by the City Council in 2008.

Consideration of this development as a PUD has allowed a public hearing process and input from neighboring property owners and residents, governmental bodies, and the community. The PUD was discussed during Concept Plan review meetings before the Plan Commission and Planning and Development Committee of the City Council in 2008 and 2009. The Plan Commission held 2 public hearings to review the PUD.

2. The proposed PUD and PUD Preliminary Plans conform to the requirements of the underlying zoning district or districts in which the PUD is located and to the applicable Design Review Standards contained in Chapter 17.06, except where:
 - A. Conforming to the requirements would inhibit creative design that serves community goals, or
 - B. Conforming to the requirements would be impractical and the proposed PUD will provide benefits that outweigh those that would have been realized by conforming to the applicable requirements.

Factors listed in Section 17.04.400.B shall be used to justify the relief from requirements:

1. The PUD will provide community amenities beyond those required by ordinance, such as recreational facilities, public plazas, gardens, public art, pedestrian and transit facilities.

The PUD Preliminary Plans provide recreational facilities in the form of the pedestrian/bike path connections off site to a future regional trail on the railroad right-of-way, a trail to the St. Charles Park District park site, and a trail connecting to 12th Street. Off-site sidewalks will be constructed on 7th Street, 9th Street, and State Street.
2. The PUD will preserve open space, natural beauty and critical environmental areas in excess of what is required by ordinance or other regulation.

The PUD Preliminary Plans will leave the wooded area south of State Street Creek mostly undisturbed.
3. The PUD will provide superior landscaping, buffering or screening.

The PUD Preliminary Plans provide landscaping in compliance with the City's Zoning Ordinance. Landscape buffering is provided along the property lines adjoining existing industrial uses.

4. The buildings within the PUD offer high quality architectural design.

The single-family detached houses are traditional in form as recommended by the Comprehensive Plan, however the buildings are uniform in terms of mass and orientation on the lot. Garages are set back from the façade and porches are provided on some elevations. The elevations have varied architectural style treatments.

The townhome buildings are more suburban in form than recommended by the Comprehensive Plan, with garage entrances on the front elevations. The architectural elevations for the townhomes include more articulation, detailing, and variation in building materials and textures than is required by the Design Standards of the Zoning Ordinance. The PUD proposes elevations with masonry materials that do not continue around the entire building, which deviates from the Design Standard of continuous materials on all elevations. The PUD proposes two townhome buildings containing six units attached in a row, which exceeds the Design Standard maximum of five units attached in a row.

5. The PUD provides for energy efficient building and site design.

Energy efficient features of the building and site design have not been identified.

6. The PUD provides for the use of innovative stormwater management techniques.

The PUD Preliminary Plans include a stormwater management system in compliance with City Code requirements. The property is not currently served by a stormwater management system. The detention basins will be naturalized, which can improve water quality.

7. The PUD provides accessible dwelling units in numbers or with features beyond what is required by the Americans with Disabilities Act (ADA) or other applicable codes.

No accessible dwelling units have been proposed as part of the PUD.

8. The PUD provides affordable dwelling units in conformance with, or in excess of, City policies and ordinances.

The PUD deviates from the requirements of the City's Zoning Ordinance with respect to providing affordable dwelling units. The PUD does not include any affordable dwelling units and no fee-in-lieu of constructing the units is proposed. The developer will follow the recommendation of the City's Housing Commission to actively seek grant funding assistance that can reduce the cost of the residential units to a level that is closer to a level considered "affordable" by the City's Zoning Ordinance.

9. The PUD preserves historic buildings, sites or neighborhoods.

The proposed PUD is not within a Historic District, but is located approximately two blocks from the Central Historic District. The property is a former industrial facility that is located within an older neighborhood which contains two designated Landmark buildings located approximately two blocks south of the subject property. The buildings and other site improvements on the subject property have not been identified as having any unique historic value and have been substantially demolished.

3. The proposed PUD conforms with the standards applicable to Special Uses (section 17.04.330.C.2):

From the Charles Zoning Ordinance, Section 17.04.430.C.2:

No Special Use or amendment to Special Use shall be recommended by the Plan Commission unless it finds that the proposed Special Use or amendment to Special Use will conform with each

of these standards. The Plan Commission shall submit its written findings together with its recommendations to the City Council after the conclusion of the Public Hearing, and also may recommend such conditions as it may deem necessary to ensure conformance with these standards.

On the basis of the evidence presented at the public hearing, the Plan Commission shall record its reasons for recommending approval or denial of the petition (findings of fact) in accordance with the following standards:

- A. Public Convenience: The Special Use will serve the public convenience at the proposed location.

The location is desirable for residential development due to its proximity to downtown. The Comprehensive Plan recommends more residential housing in close proximity to downtown to enhance the Downtown's viability.

- B. Sufficient Infrastructure: That adequate utilities, access roads, drainage and/or necessary facilities have been, or are being, provided.

The following studies have been completed to determine infrastructure improvements necessary to support the development:

- **Traffic Impact Study prepared by KLOA dated September 27, 2011, indicates that adequate access roads will be provided.**
- **Water Supply Modeling Study prepared by Trotter and Associates dated December 27, 2010 indicates that adequate water supply will be provided.**
- **Sanitary Sewer Evaluation prepared by Wills Burke Kelsey Associates dated December 17, 2010 indicates that adequate sanitary sewer utilities will be provided.**

PUD Preliminary Engineering Plans have been reviewed by City staff for compliance with City Codes and Ordinances, including the Kane County Stormwater Ordinance. Based on these reviews, adequate on-site utilities, access roads, drainage, and related facilities have been provided on the plan documents,.

- C. Effect on Nearby Property: That the Special Use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purposes already permitted, nor substantially diminish or impair property values within the neighborhood.

Evaluations and studies were conducted to identify potential impacts of the proposed development. The studies, which were entered into the record at the public hearing, identified any necessary improvements or measures to be taken to mitigate those impacts, and concluded with these improvements or measures, there would be no negative effect on nearby property.

With respect to traffic, there was significant testimony regarding existing delays encountered for vehicles exiting the neighborhood on to IL Route 64 and IL Route 31. The proposed development is expected to increase these delays. The traffic study for the project concluded that all intersections analyzed would operate at an overall acceptable level of service in 2015 when the project is fully constructed. However, the study also identified that the level of service for individual traffic movements out of the neighborhood and on to IL Route 64 and 31 would be degraded to an unacceptable level for certain locations. The developer will provide a contribution for off-site traffic

improvements in the amount of \$200,000 to be used for improvements to these intersections, as determined by the City.

Residential land uses surrounding the subject property are compatible and complementary to the land uses proposed for the PUD. The PUD will not diminish or impair residential property values in comparison to the existing property value and condition of the site.

Existing industrial land uses surrounding the subject property are not compatible with the proposed land uses for the PUD. The isolated industrial properties surrounding the site are already located in close proximity to other residential uses. The industrial properties located immediately to the west and south have existing legal non-conforming building setbacks from the development site. The Zoning Ordinance requires that where two incompatible uses adjoin along a property line, buffering and screening are the responsibility of the more intensive use (the industrial property). Any future development of the industrial sites under the existing zoning will require additional buffering and screening.

- D. Effect on Development of Surrounding Property: That the establishment of the Special Use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.

Evaluations and studies were conducted to identify potential impacts of the proposed development. The studies, which were entered into the record at the public hearing, identified any necessary improvements or measures to be taken to mitigate those impacts, and concluded with these improvements or measures, there would be no negative effect on surrounding property.

Residential land uses surrounding the subject property are compatible and complementary to the land uses proposed for the PUD, as discussed in Item C. above.

Industrial land uses surrounding the subject property are not compatible with the proposed land uses for the PUD, as discussed in Item C. above.

- E. Effect on General Welfare: That the establishment, maintenance or operation of the Special Use will not be detrimental to or endanger the public health, safety, comfort or general welfare.

Evaluations and studies were conducted to identify potential impacts of the proposed development. The studies, which were entered into the record at the public hearing, identified any necessary improvements or measures to be taken to mitigate those impacts, and concluded with these improvements or measures, there would be no negative effect on surrounding property.

For the reasons stated under Item C. above, further traffic analysis is recommended.

- F. Conformance with Codes: That the proposed Special Use conforms to all existing Federal, State and local legislation and regulation and meets or exceeds all applicable provisions of this Title, except as may be varied pursuant to a Special Use for Planned Unit Development.

The PUD complies with all City Codes, with the exception of any Zoning Ordinance deviations requested through the Planned Unit Development. The City will not authorize the construction of residential dwelling units on the property until the Illinois Environmental Protection Agency issues No Further Remediation letter(s) indicating that the site has been appropriately cleaned of environmental contaminants.

4. The proposed PUD will be beneficial to the physical development, diversity, tax base and economic well-being of the City.

The City has adopted policy through the Comprehensive Plan to support development of the subject property with residential uses within a specified density range. The proposed development meets this objective and is within the recommended density range.

5. The proposed PUD conforms to the purposes and intent of the Comprehensive Plan.

The subject property is classified in the Comprehensive Plan, Future Land Use Map #14 as “Medium Residential.” The PUD Preliminary Plans conform to the Future Land Use Designation.

The Comprehensive Plan includes the following Goals and Objectives to be used when evaluating development proposals in this location:

Provide for future redevelopment while preserving the character of the surrounding neighborhood

- *Maintain the existing typology of the surrounding residential neighborhood through the interconnection of streets and similar types of housing styles.*
- *Residential housing in close proximity to Downtown St. Charles is encouraged, to provide residents the opportunity to enjoy downtown amenities and to enhance Downtown’s viability.*
- *Provide buffers or transition areas between different uses such as industrial and residential.*
- *Locate any areas of redevelopment that have a higher density away from existing lower density development, and provide appropriate transitions between dissimilar uses.*
- *Avoid land use and street patterns that result in heavy trucks using residential streets to access industrial or retail businesses.*

The development provides interconnected streets. The architectural style treatments are similar to those in the neighborhood; however the building forms are dissimilar to those found in the neighborhood. The development is more regular and uniform than the existing neighborhood.

Higher density townhomes have been located adjacent to the neighboring industrial uses.

Only limited buffers and transition areas have been provided adjacent to the isolated industrial uses on 9th and 12th Streets. The Comprehensive Plan recommends a long term future land use of “Medium Residential” for these properties.

Provide Public open space to serve the neighborhood needs

- *Look for opportunities to address changes to State Street Creek where possible.*
- *Provide for adequate park space to serve local needs.*

No changes are proposed to State Street Creek. Stormwater basins will be constructed north of the creek. Most trees will be preserved on the south side of the creek.

The subject property represents the most significant development site within the neighborhood, and therefore is the only opportunity for a significant park land donation. The St. Charles Park District has acquired the 2.76 acre site located at 229 N. 9th Street, to be called “Belgium Town Park”. The Park District will accept a small parcel on 9th Street as a land donation to improve access to the Belgium Town Park site. The rest of the requirement will be met as a cash donation to the Park District that can be used to improve the park.

The City’s Subdivision Ordinance requires a land or cash donation based on the expected population of the subdivision (Population of 307, with a requirement at 10 acres per 1,000 population, equals a donation size of 3.07 acres). The park site acquired by the Park District is less than the recommended preferred size for the proposed development. A private park for the residents of the PUD is proposed on the north side of Mark Street between 5th and 6th Streets.

Provide a range of housing that is available, accessible and affordable

- *Maintain the quality of the existing housing stock.*
- *Look for opportunities to add Senior housing to the area.*
- *Require high quality construction for new development.*
- *Promote subdivision design that creates desirable and cost efficient residential neighborhoods.*

The PUD provides two distinct housing types- single-family detached houses and townhome units. No units are specifically designed to be accessible. No units are considered “affordable” by the City’s Zoning Ordinance. No units have been designed specifically for senior housing.

In terms of construction and design quality, the proposed townhomes comply with the City’s Design Standards, with deviations requested to allow the use of masonry materials on front and side elevations only.

The overall subdivision layout is desirable, but it is unknown how cost efficient the development plan is without comparison to an alternate plan.

EXHIBIT "E"
PUD PRELIMINARY PLANS

EXHIBIT "F"

AFFORDABLE HOUSING AGREEMENT

This Affordable Housing Agreement (hereinafter referred to as the "Agreement") is made and entered into as of the ____ day of _____, 2012, by and between the City of St. Charles, a municipal corporation (the "City"), organized and incorporated under the laws of the State of Illinois and Lexington Homes, LLC, an Illinois limited liability company (the "Developer"; the City and the Developer each known individually as a "Party" and collectively as the "Parties").

RECITALS

WHEREAS, the Developer is the owner of the real estate legally described on Exhibit "A", attached hereto and made a part hereof (the "Subject Realty"); and

WHEREAS, the Developer has filed applications with the City regarding the Subject Realty for, among other things, (a) a zoning map amendment, (b) a special use for a planned unit development, and (c) certain deviations from the City's Zoning Ordinance, in order to allow construction of a residential development consisting of 102 two-story townhomes and 28 single family detached homes, all as more specifically described in Ordinance No. _____, passed by the City on _____, 2012 (the "Project"); and

WHEREAS, one of the deviations requested by the Developer is exemption from the requirements of Chapter 17.18 of the City's Zoning Ordinance regarding inclusionary housing; and

WHEREAS, as a condition of approving such a deviation, the Developer is required to take certain actions to seek funding for providing Affordable Housing (as defined in the Zoning Ordinance) on the Subject Realty, and to enter in to this Agreement in connection therewith.

NOW, THEREFORE, in consideration of the foregoing premises and in further consideration of the mutual covenants, conditions and agreements herein contained, the Parties hereto agree as follows:

Section 1. Incorporation of Recitals. The recitals set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section 1, and this Agreement shall be construed in accordance therewith.

Section 2. Application for Affordable Housing Funding. Commencing with the execution of this Agreement, and until the last certificate of occupancy is granted for the Project, the Developer shall apply for grant funding for the purpose of obtaining financing for the construction of Affordable Housing as part of the Project. At a minimum, application shall be made to Kane County Office of Community Reinvestment, Illinois Housing Development Authority, and the U.S. Department of Housing and Urban Development for all programs for which the project may qualify.

Applications shall be made each calendar year, or grant funding cycle, whichever is more frequent. The Developer shall provide copies of each funding application to the City for review prior to filing such application. In the event the project does not qualify for any program offered during the calendar year or grant funding cycle, the developer shall provide documentation demonstrating that the project does not qualify or shall provide a letter confirming such from each respective agency.

Section 3. Use of Funds. Should the Developer obtain any of the grant funding applied for, it shall utilize the funds to construct Affordable Housing on the Subject Realty as part of the Project, in conformance with all applicable laws, ordinances and regulations.

Section 4. Meeting with Housing Commission. Upon filing the first grant application, the Developer shall meet with the Housing Commission of the City to discuss strategies and activities related to the Developer's obligations hereunder. Additional meetings shall occur periodically thereafter, pursuant to the request of either Party.

Section 5. Failure to Comply. Should the Developer fail to comply with the terms of this Agreement at any time during construction of the Project, the City may declare the Developer to be in default by providing written notice to the Developer. Upon such written notice, the requirements of Chapter 17.18 of the City's Zoning Ordinance shall apply to all remaining housing units comprising the Project which have not, at the time of such written notice, received a final occupancy permit.

Section 6. Miscellaneous Provisions.

(a) *Mutual Cooperation.* The Parties shall do all things necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in furthering the objectives of this Agreement and the intent of the Parties as reflected by the terms of this Agreement.

(b) *Disclaimer.* Nothing contained in this Agreement, nor any act of the City, shall be deemed or construed by any of the Parties, or by third persons, to create any relationship of third Party beneficiary, or of principal or agent, or of limited or general partnership, or of joint venture, or of any association or relationship involving the City or the Developer.

(c) *Covenants Running with the Land.* It is intended and agreed that all covenants provided in this Agreement on the part of the Developer to be performed or observed shall be covenants running with the land binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by the City, and any successor in interest to the Subject Realty, other than individual owners of residential units constructed on the Subject Realty.

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

(e) *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.

(f) *Recordation of Agreement.* The Parties agree to execute and deliver the original of this Agreement in proper form for recording in the office of the Recorder of Deeds, Kane County, Illinois.

(g) *Notices.* Notices herein required shall be in writing and shall be served upon the Parties, either personally or mailed by certified or registered mail, return receipt requested:

If to the City:

City Administrator
City of St. Charles
2 East Main Street
St. Charles, Illinois 60174

with a copy to:

Gorski & Good, LLP
211 South Wheaton Avenue, Suite 305
Wheaton, Illinois 60187
Attn: Ms. Robin Jones

If to Developer:

Lexington Homes, LLC
1731 N. Marcey Street, Suite 200
Chicago, Illinois 60614

with a copy to:

Rathje & Woodward, LLC
300 E. Roosevelt Road, Suite 300
Wheaton, IL 60187
Attn: Mr. Henry Stillwell

If to any Mortgagee: To the person and address designated to the City in writing by the Mortgagee.

A Party's address may be changed from time to time by such Party giving notice as provided above to the other Parties noted above.

(h) *Integration.* This Agreement together with all Exhibits and attachments thereto, constitute the entire understanding and agreement of the Parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or the Developer.

(i) *Amendment.* This Agreement, and any Exhibit attached hereto, may be amended only by written instrument properly executed by the Parties or their successors in interest. Execution of any such amendment by the City shall first have been authorized by the Ordinance or Resolution duly adopted by the corporate authorities of the City.

(j) *Successors and Assignees.* The terms and conditions of this Agreement are to apply to and bind and inure to the benefit of the City, the Developer and their successors and assignees.

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

(l) *Term.* This Agreement shall be in full force and effect from and after the execution hereof by the last Party to execute the same and shall remain in full force and effect until final completion of the Project, as evidenced by issuance of a final occupancy certificate for the last unit comprising the Project.

(m) *Governing Law.* The laws of the State of Illinois shall govern the interpretation and enforcement of this Agreement.

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

CITY OF ST. CHARLES, an Illinois
municipal corporation,

By: _____
Mayor

ATTEST:

City Clerk

_____, an Illinois limited
liability company

By: _____
Its: _____

ATTEST:

STATE OF ILLINOIS)
) SS.
COUNTY OF KANE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Donald P. DeWitte, Mayor of the City of St. Charles, and Nancy Garrison, City Clerk of said City, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Mayor and City Clerk, respectively appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said City, for the uses and purposes therein set forth; and the City Clerk then and there acknowledged that she, as custodian of the corporate seal of said City, did affix the corporate seal of said City to said instrument, as her own free and voluntary act and as the free and voluntary act of said City, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2012.

Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF KANE)

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

GIVEN under my hand and Notarial Seal this ____ day of _____, 2012.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF SUBJECT REALTY

SUBJECT PROPERTY:

PARCEL ONE:

LOT 2 (EXCEPT THE SOUTHERLY 116 FEET); ALL OF LOTS 3 AND 4 IN BLOCK 2 OF T. E. RYAN'S ADDITION TO ST. CHARLES, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL TWO:

LOTS 1, 2, 3, 4, 5, 6 AND 7 IN BLOCK 1 AND LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 AND 18 IN BLOCK 2; LOTS 1, 2, 3, 4, 5 AND 6 IN BLOCK 3 AND LOTS 1, 2, 3, 4, 5 (EXCEPT THAT PART OF LOT 5 CONVEYED BY DOCUMENT 1788487 RECORDED AUGUST 19, 1986) AND THE NORTH 30 FEET OF LOT 11 IN BLOCK 5, AND THAT

PART OF VACATED NINTH STREET NORTH OF THE SOUTH LINE EXTENDED EASTERLY OF LOT 5 IN SAID BLOCK 5 AND VACATED MARK STREET, AND THE NORTH 1/2 OF VACATED RYAN STREET LYING EASTERLY OF THE WESTERLY LINE OF LOT 13, BLOCK 2 EXTENDED AND LYING WESTERLY OF THE WESTERLY LINE OF SEVENTH STREET, ALL IN MILLINGTON'S THIRD ADDITION TO ST. CHARLES, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL THREE:

THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE WEST LINE OF SAID SOUTH EAST 1/4 WITH THE NORTHERLY LINE OF DEAN STREET; THENCE SOUTH 66 DEGREES, 13 MINUTES, 0 SECONDS EAST ALONG THE NORTHERLY LINE OF SAID DEAN STREET 1043 FEET; THENCE NORTH 2 DEGREES, 44 MINUTES, 0 SECONDS EAST 150 FEET (SAID POINT HEREINAFTER REFERRED TO AS POINT "A"); THENCE SOUTH 64 DEGREES, 34 MINUTES, 0 SECONDS EAST 149.92 FEET; THENCE NORTH 1 DEGREES, 31 MINUTES, 0 SECONDS WEST, 62 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 1 DEGREES, 31 MINUTES, 0 SECONDS WEST, 651.43 FEET; THENCE SOUTH 89 DEGREES, 45 MINUTES, 0 SECONDS WEST 135.80 FEET; THENCE NORTH 7.90 FEET; THENCE SOUTH 89 DEGREES, 20 MINUTES, 0 SECONDS WEST 282.40 FEET; THENCE SOUTH 00 DEGREES, 27 MINUTES, 10 SECONDS WEST 490.78 FEET; THENCE EAST 106 FEET; THENCE SOUTH 67.19 FEET TO A LINE DRAWN NORTH 64 DEGREES, 34 MINUTES, 0 SECONDS WEST FROM POINT "A" AFORESAID; THENCE SOUTH 64 DEGREES, 34 MINUTES, 0 SECONDS EAST 19.73 FEET; THENCE SOUTH 74 DEGREES, 16 MINUTES, 30 SECONDS EAST 327.76 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL FOUR:

THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH EAST 1/4; THENCE EAST 396.08 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID SOUTH EAST 1/4 TO A POINT 150 FEET NORTH OF THE NORTHERLY LINE OF DEAN STREET, FOR THE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES, 13 MINUTES, 0 SECONDS EAST PARALLEL WITH THE NORTHERLY LINE OF DEAN STREET, 208.7 FEET (THIS COURSE HEREINAFTER REFERRED TO AS LINE "A") THENCE EAST 69 FEET; THENCE NORTH 0 DEGREES, 27 MINUTES, 10 SECONDS EAST 60 FEET; THENCE WEST 56.84 FEET TO A LINE DRAWN PARALLEL WITH AND 60 FEET NORTHERLY OF, MEASURED AT RIGHT ANGLES THERETO, LINE "A" AFORESAID; THENCE NORTH 66 DEGREES, 13 MINUTES, 0 SECONDS WEST ALONG SAID PARALLEL LINE, 222.51 FEET TO A LINE DRAWN NORTH, PARALLEL WITH THE WEST LINE OF SAID SOUTH EAST 1/4, FROM THE POINT OF BEGINNING; THENCE SOUTH ALONG SAID PARALLEL LINE 65.57 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL FIVE:

THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF BLOCK 2 OF MILLINGTON'S ADDITION TO THE TOWN OF ST. CHARLES; THENCE NORTH 11 DEGREES, 37 MINUTES, 0 SECONDS WEST ALONG THE EASTERLY LINE OF WEST

SEVENTH STREET EXTENDED, 356 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 78 DEGREES, 46 MINUTES, 0 SECONDS EAST 186.2 FEET TO THE WESTERLY LINE OF BLOCK 2 OF T. E. RYAN'S ADDITION TO ST. CHARLES; THENCE NORTH 11 DEGREES, 48 MINUTES, 0 SECONDS WEST ALONG SAID WESTERLY LINE 481.9 FEET TO THE SOUTH RIGHT OF WAY LINE OF THE CHICAGO AND GREAT WESTERN RAILWAY; THENCE SOUTH 89 DEGREES, 30 MINUTES, 0 SECONDS WEST ALONG SAID RIGHT OF WAY LINE TO THE NORTHEAST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID MILLINGTON'S THIRD ADDITION TO THE SOUTHEAST CORNER OF BLOCK 2 IN SAID ADDITION; THENCE EASTERLY ALONG THE SOUTHERLY LINE EXTENDED EASTERLY OF SAID BLOCK 2 TO THE EASTERLY LINE OF WEST SEVENTH STREET EXTENDED; THENCE SOUTH 11 DEGREES, 37 MINUTES, 0 SECONDS EAST ALONG SAID EASTERLY LINE TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL SIX:

THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES, ON THE NORTHERLY LINE OF DEAN STREET; THENCE NORTH 66 DEGREES, 07 MINUTES, 0 SECONDS WEST ALONG SAID NORTHERLY LINE OF DEAN STREET 335.3 FEET TO THE SOUTHEAST CORNER OF THE TRACT OF LAND CONVEYED TO JULES VANOVERMEIREN BY DEED DATED DECEMBER 18, 1925, AND RECORDED DECEMBER 26, 1925 IN BOOK 788, PAGE 548, AS DOCUMENT 266367; THENCE NORTH ALONG THE EAST LINE AND THE EAST LINE EXTENDED OF SAID TRACT OF LAND 174 FEET; THENCE NORTH 60 DEGREES, 19 MINUTES, 0 SECONDS WEST, 168.19 FEET; THENCE NORTH 1 DEGREES, 29 MINUTES, 0 SECONDS WEST 188.59 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 1 DEGREES, 29 MINUTES, 0 SECONDS WEST 479.71 FEET TO THE SOUTHERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND GREAT WESTERN RAILROAD COMPANY; THENCE NORTH 89 DEGREES, 31 MINUTES, 0 SECONDS EAST ALONG SAID SOUTHERLY RIGHT OF WAY LINE, 456.2 FEET TO THE NORTHWEST CORNER OF SAID MILLINGTON'S THIRD ADDITION; THENCE SOUTH 1 DEGREE EAST ALONG THE WEST LINE OF SAID ADDITION 285 FEET; THENCE SOUTH 89 DEGREES, 31 MINUTES, 0 SECONDS WEST 132 FEET; THENCE SOUTH 1 DEGREES, 04 MINUTES, 0 SECONDS EAST 255.77 FEET TO A POINT SOUTH 80 DEGREES, 02 MINUTES, 0 SECONDS EAST FROM THE POINT OF BEGINNING; THENCE NORTH 80 DEGREES, 02 MINUTES, 0 SECONDS WEST 325.65 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS, EXCEPTING THEREFROM THE FOLLOWING: THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES, KANE COUNTY, ILLINOIS; THENCE SOUTH 1 DEGREES, 04 MINUTES, 0 SECONDS EAST ALONG THE WEST LINE OF SAID ADDITION 285.0 FEET; THENCE SOUTH 89 DEGREES, 31 MINUTES, 0 SECONDS WEST 132.0 FEET; THENCE SOUTH 1 DEGREES, 04 MINUTES, 0 SECONDS EAST PARALLEL WITH SAID WEST LINE 255.77 FEET FOR A POINT OF BEGINNING; THENCE NORTH 1 DEGREES, 04 MINUTES, 0 SECONDS WEST ALONG THE LAST DESCRIBED COURSE 255.77 FEET; THENCE SOUTH 89 DEGREES, 31 MINUTES, 0 SECONDS WEST 100.00 FEET; THENCE SOUTH 1 DEGREES, 04 MINUTES, 0 SECONDS EAST PARALLEL WITH SAID WEST LINE 237.41 FEET TO A LINE DRAWN NORTH 80 DEGREES, 06 MINUTES, 0 SECONDS WEST FROM THE POINT OF BEGINNING; THENCE SOUTH 80 DEGREES, 06 MINUTES, 0 SECONDS EAST 101.86 FEET TO THE POINT OF BEGINNING (EXCEPT THAT PART CONVEYED BY DOCUMENT 1788487 RECORDED AUGUST 19, 1986), IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL SEVEN:

EASEMENT FOR PRIVATE ROADWAY RESERVED BY DEED RECORDED JULY 16, 1957, IN BOOK 1855, PAGE 119, AS DOCUMENT 839306, MADE BY HAWLEY PRODUCT COMPANY TO CARL E. SODERQUIST AND SONS FOR THE BENEFIT OF THE NORTH 30 FEET OF LOT 11 IN BLOCK 5 OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES IN PARCEL TWO, OVER THAT PART OF THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF MILLINGTON'S THIRD ADDITION TO ST. CHARLES; THENCE SOUTH 1 DEGREE EAST ALONG THE WEST LINE OF SAID ADDITION 535 FEET FOR THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 1 DEGREE EAST 30 FEET; THENCE NORTH 80 DEGREES, 02 MINUTES, 0 SECONDS WEST

134.45 FEET; THENCE NORTH 1 DEGREE WEST PARALLEL WITH THE WEST LINE OF SAID ADDITION 30 FEET; THENCE SOUTH 80 DEGREES, 02 MINUTES, 0 SECONDS EAST 134.45 FEET TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL EIGHT:

THAT PART OF THE SOUTHWEST 1/4 OF SECTION 27 AND THE SOUTH EAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF FIFTH STREET (STATE ROUTE 31) AS PLATTED IN THE CITY OF ST. CHARLES WITH THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN A WARRANTY DEED DATED JUNE 2, 1886, BETWEEN JOHN WARNE, AND OTHERS, AND THE MINNESOTA AND NORTH WESTERN RAILROAD COMPANY, FILED FOR RECORD IN THE RECORDER'S OFFICE OF KANE COUNTY ON JUNE 4, 1886, IN BOOK 243 ON PAGE 17; THENCE WESTERLY ALONG THE SOUTH LINE BY SAID WARRANTY DEED, BEING ALONG THE SOUTH RIGHT OF WAY LINE OF THE CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY, A DISTANCE OF 1857.64 FEET TO A JOG IN SAID SOUTH RIGHT OF WAY LINE; THENCE NORTHERLY ALONG SAID JOG, A DISTANCE OF 7.90 FEET; THENCE WESTERLY ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 282.85 FEET TO A JOG IN SAID SOUTH RIGHT OF WAY LINE; THENCE NORTHERLY, ALONG SAID JOG, A DISTANCE OF 127.46 FEET TO A POINT ON A LINE THAT IS 50.0 FEET SOUTH OF AND PARALLEL WITH THE CENTER LINE OF THE MAIN TRACK OF THE CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY; THENCE EASTERLY ALONG SAID PARALLEL LINE, A DISTANCE OF 2126.02 FEET TO THE CENTER LINE OF 5TH STREET (STATE ROUTE 31) AS AFORESAID; THENCE SOUTHEASTERLY ALONG SAID CENTER LINE, A DISTANCE OF 93.59 FEET TO THE POINT OF BEGINNING, BEING SITUATED IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS EXCEPTING THEREFROM THE FOLLOWING DESCRIBED LAND

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF LAND CONVEYED TO THE CITY OF ST. CHARLES BY DOCUMENT NO. 910272, SAID POINT BEING 50.00 FEET NORMALLY DISTANT SOUTHERLY FROM THE UNION PACIFIC RAILROAD MAIN TRACK CENTER LINE; THENCE SOUTH 89 DEGREES 11 MINUTES EAST, 76.35 FEET, PARALLEL WITH SAID MAIN TRACK CENTER LINE; THENCE SOUTH 1 DEGREES 53 MINUTES EAST, 60.06 FEET, PARALLEL WITH THE EAST LINE OF SAID LAND CONVEYED BY DOCUMENT NO. 910272; THENCE NORTH 89 DEGREES 11 MINUTES WEST, 76.35 FEET TO THE SOUTHEAST CORNER OF SAID DOCUMENT NO. 910272; THENCE NORTH 1 DEGREE 53 MINUTES WEST, 60.06 FEET ALONG THE EAST LINE OF SAID DOCUMENT NO. 910272 TO THE POINT OF BEGINNING, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

EXHIBIT G

REIMBURSEMENT FOR OFF-SITE WATER MAIN IMPROVEMENTS

	ASPHALT ROADS			
	<u>Street Name</u>	<u>Unit</u>	<u>Quantity</u>	<u>Cost</u>
	State St., 9th to Dean St	FT	250	\$ 13,863.33
	WATERMAIN			
		<u>Unit</u>	<u>Quantity</u>	<u>Cost</u>
1	10" DIP, Class 52, Water Main	LF	820	\$65,600.00
2	Fire Hydrant Assembly, With Auxillary Valve and Box	EA	1	\$3,200.00
3	1" Type "K" Copper Water Service, With B-Box Assembly	EA	6	\$12,000.00
4	Curb and Gutter Removal and Replacement	LF	30	\$630.00
5	Restoration	LS	1	\$2,000.00
				\$83,430.00
	<u>TOTAL FOR ALL WORK</u>			<u>\$97,293.33</u>

EXHIBIT H

FORM OF PLACEHOLDER NOTE

\$_____

ST. CHARLES, Illinois
_____, 20__

FOR VALUE RECEIVED, the undersigned, the City of St. Charles, an Illinois municipal corporation, with its principal address at 2 East Main Street, St. Charles, Illinois 60174 ("City"), hereby acknowledges that it is obligated to pay to the order of _____ ("Registered Owner"), the principal sum of _____ (\$_____) Dollars, with interest on the unpaid principal balance from the date of this Note, until paid, at the rate of ____% per annum. Interest shall not compound.

This Note is issued under and pursuant to the terms and provisions of a certain Development Agreement entered into as of the ____ day of _____, 2012, (the "Development Agreement") by and between the City and Registered Owner, all of the provisions of which are hereby incorporated herein as though set forth verbatim. Reference is hereby made to such Development Agreement for definition of all terms not otherwise defined herein.

THE PARTIES HEREBY ACKNOWLEDGE THAT NO PAYMENTS SHALL BE DUE UNDER THIS PLACEHOLDER NOTE AND THAT THE PURPOSE OF ITS ISSUANCE IS SIMPLY TO EVIDENCE THE CITY'S OBLIGATION TO REIMBURSE CERTAIN REDEVELOPMENT COSTS TO THE REGISTERED OWNER PURSUANT TO THE PROVISIONS OF THE DEVELOPMENT AGREEMENT. ALL PAYMENTS DUE TO THE REGISTERED OWNER SHALL BE MADE PURSUANT TO NOTE(S) ISSUED BY THE CITY UPON THE RETIREMENT OF THIS PLACEHOLDER NOTE.

This Placeholder Note shall not constitute a general obligation of the City, nor shall it be secured by the full faith and credit of the City. If the Development Agreement is terminated pursuant to the terms thereof, this Placeholder Note shall also terminate.

IN WITNESS WHEREOF, the City has executed this Placeholder Note as of the day and year first above written.

CITY OF ST. CHARLES, an Illinois
municipal corporation,

By: _____
City Administrator

By: _____
Finance Director

EXHIBIT I

FORM OF NOTE

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF KANE
CITY OF ST. CHARLES
TAXABLE TAX INCREMENT ALLOCATION REVENUE NOTE
(LEXINGTON CLUB REDEVELOPMENT PROJECT AREA)**

REGISTERED

NO. _____

\$ _____

Interest Rate: _____

Maturity Date: _____, 20____

FOR VALUE RECEIVED, the undersigned, the City of St. Charles, an Illinois municipal corporation, with its principal address at 2 East Main Street, St. Charles, Illinois 60174 (the "City"), hereby promises to pay to the order of the Registered Owner identified above, or registered assigns as hereinafter provided, but solely from the sources hereinafter identified, the principal sum of _____ (\$_____) Dollars, with interest on the unpaid principal balance payable as set forth below.

This Note is issued under and pursuant to the terms and provisions of a certain Lexington Club Development Agreement entered into as of the ____ day of _____, 2012 (the "Development Agreement"), by and between the City and St. Charles – 333 North Sixth Street, LLC (the "Developer"), all of the provisions of which are hereby incorporated herein as though set forth verbatim. Reference is hereby made to the Development Agreement for definition of all terms not otherwise defined herein.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Area which the City is entitled to receive pursuant to the TIF Act and the Development Agreement, in order to pay the principal of and interest of the Note. Reference is hereby made to the aforesaid Development Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to the Note and the terms and conditions under which the Note is issued and secured. **THIS NOTE IS NOT A GENERAL OR MORAL OBLIGATION OF THE CITY BUT IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM NET TIF PROCEEDS, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER**

HEREOF ONLY AGAINST SAID SOURCE. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

Provided that the Developer is not in default under the Development Agreement, the City's obligation to repay this Note shall continue until the Note, including accrued interest, is paid in full, or until the expiration of the term of the Development Agreement, whichever is earlier. If the Development Agreement is terminated pursuant to the terms thereof, the City's obligation to repay this Note shall also terminate.

This Note is subject to mandatory redemption without premium, pursuant to the provisions of the Development Agreement, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date on each February 15th, to the extent there are Net TIF Proceeds available for such redemption.

This Note is also subject to optional redemption without premium, in whole or in part, at any time three (3) years from and after the date of issuance of this Note.

The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Finance Director of the City, as registrar and paying agent (the "Registrar"), on the applicable redemption or maturity date, and shall be paid by check or draft of the City, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in St. Charles, Illinois or as otherwise directed by the City.

Pursuant to the Development Agreement, the Developer has agreed to acquire and construct the Project and to advance funds for the incurrence under the TIF Act of certain eligible redevelopment project costs related to the Project. Such costs up to the amount of \$6,000,000 as determined and adjusted pursuant to the Development Agreement shall be deemed to be a disbursement of the proceeds of the Note, and the outstanding principal amount of the Note shall be increased by the amount of each such advance as from time to time made. The principal amount outstanding of the Note shall be the sum of advances made pursuant to Certificates of Redevelopment Costs minus any principal amount paid on the Note or other reductions pursuant to the Development Agreement. The City shall not approve Certificates of Redevelopment Costs with respect to the Note that total in excess of \$6,000,000.

The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

If this Note is initially issued to the Developer, this Note may be (i) assigned or pledged as collateral by the Developer to any senior lender or project financing source for the Project, or (ii) transferred to any entity controlling, controlled by or under common control with the Developer or any entity in which the majority equity interest is owned by the parties that have a majority equity interest in the Developer.

In all other cases, any assignment, sale or other transfer of this Note must be to a Qualified Investor. Qualified Investor shall mean an Accredited Investor as defined under rule 501(D) of the Securities Act of 1933.

In all such cases of assignment, sale or other transfer of this Note, the City shall be provided with an opinion of counsel or a certificate of the transferor, in a form satisfactory to the City, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws.

Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount and rate of interest will be issued to the transferee in exchange herefor. Such transfer shall be in accordance with the form at the end of this Note.

Transfer of the ownership of this Note to a person other than one permitted by the terms of the Development Agreement shall relieve the City of all of its obligations under this Note.

IN WITNESS WHEREOF, the City has executed this Note as of the day and year first above written.

CITY OF ST. CHARLES, an Illinois
municipal corporation,

By: _____
Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION

This Note is described in the
within-mentioned Development Agreement and
is the \$_____ Taxable Tax Increment
Allocation Revenue Note
(Lexington Club Redevelopment Project Area),
of the City of St. Charles.

Finance Director, as Registrar and Paying Agent

Date: _____

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto
ASSINGEE of NOTE _____

the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said
Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered
Owner as it appears upon the face of the Note in every particular, without alteration or
enlargement or any change whatever.

Consented to as of: _____

City of St. Charles, Illinois

By: _____

Title: _____

Finance Director