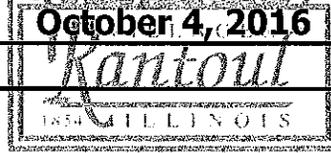


**Rantoul Village Board of Trustees
Regular Study Session**

October 4, 2016

Order of Business

Board Packet Page(s)



- 1. Call to Order – Mayor Smith**
Roll Call
- 2. Public Participation**
Citizens wishing to address the Village Board with respect to any item of business listed upon the agenda or any matter not appearing on the agenda are asked to complete a public participation form and submit it to the Village Clerk prior to the meeting. Comments will be limited to three minutes for each speaker.
- 3. Items from the Mayor**
 - A) New Committee: Planning & Zoning Commission
- 4. Items from Trustees**
- 5. Items from the Clerk**
- 6. Items for the Consent Agenda**
 - A) Approval of Minutes, Regular Study Session, September 6, 2016
 - B) Approval of Minutes, Regular Board Meeting, September 13, 2016
 - C) Approval of Bills and Monthly Financial Reports
- 7. Administrator Report**
 - A) Contract with CU-MTD for fixed route bus system 1-4
 - B) Redevelopment and Economic Incentive Agreement with Shields Auto 5-11, 15-53
- 8. Items from Public Works**
 - A) Setting load limit for Malsbury Dr. 12-13
- 9. Items from Comptroller**
 - A) Budget Amendment BA-FY-#17-02 – Police Dept. 14
- 10. Items from Counsel**
- 11. Adjournment**

Statement Regarding Compliance with the Americans with Disabilities Act (ADA)

The Village of Rantoul wishes to ensure that its programs, services, and activities are accessible to individuals with disabilities. All Village Board meetings are wheelchair accessible. Persons who require an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of the Village of Rantoul should contact the ADA Coordinator at (217) 892-6821. TTY users should dial 7-1-1 or call the Illinois Relay Center at 1-800-526-0844 (TTY) or 1-800-526-0857 (V). TTY users requiring Spanish language assistance should call 1-800-501-0864 (TTY).

We would appreciate advance notice of at least 48 hours for any requests to receive an agenda in an alternate format or other types of auxiliary aids and services.

**BOARD OF TRUSTEES
VILLAGE OF RANTOUL**

AGENDA ITEM

PAGE 1 OF 1

ITEM: Contract with CU-MTD for fixed route bus system	DEPARTMENT: Administration/ED
AGENDA SECTION:	AMOUNT: N/A
ATTACHMENTS: <input checked="" type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> OTHER (See Summary Highlights) <input checked="" type="checkbox"/> SUPPORTING DOCUMENTS	DATE: 10/04/2016
<p>SUMMARY HIGHLIGHTS:</p> <p>As part of the Rantoul Tomorrow Initiative a committee was formed last year to discuss transportation issues affecting Rantoul and its larger industrial employers. Throughout the process, the village reached out to different agencies and businesses to discuss their transportation needs. It was discovered that Rantoul has a mobility issue where residents are having problems reaching work and utilizing the services they need. This issue not only affects work force development for our larger employers, but also affects how area schools and non-profits provide services.</p> <p>Part of the process in finding solutions was a transportation survey that was distributed to our industrial employers and several social service agencies. The village received over 50 responses, and by an overwhelming margin, the establishment of a fixed route bus system emerged as a viable solution to the problem.</p> <p>For the past 8 months, staff has been working with the CU-MTD and the Regional Planning Commission to devise a plan that works for the village and its residents. Throughout this endeavor, the goal has continued to be affordability and accessibility. In conjunction with conducting surveys, the process included numerous public meetings with residents and employers. Highlighted below are key points in the proposed contract.</p> <ul style="list-style-type: none"> ➤ CCARTS will provide the fixed route service. CCARTS is a county transportation system that currently provides service in Rantoul by appointment only. CCARTS is a county program that is contracted to the Regional Planning Commission. The RPC, in turn, contracts with the CU MTD to operate the system on a daily basis. ➤ The contract is for two years beginning in November 2017. The total costs for the full two year agreement is \$403,741. Of this amount Rantoul is responsible for \$220,000 or \$110,000 annually. The remainder of the costs will be funded through a grant. ➤ CCARTS will provide service to Rantoul M-F from 5:00am-8:00am and 3:00pm-6:00pm. ➤ Any of the parties may terminate this Agreement with ninety (90) days written notice to the other parties. CUMTD may suspend its service under this Agreement if RANTOUL fails to make timely payments as set forth in paragraph 3 above. ➤ To ensure the service continually meets the needs of the community a route performance will be assessed with the village after six (6) months and thereafter on an annual basis. ➤ The village portion for the first year will be paid out of the local motor fuel tax account, which is authorized according to the ordinance. 	

- Staff will continue meeting with our industry and commercial partners to help fund the 2nd year of the program.

Attached please see a copy of the preliminary route times (still subject to change) and a copy of the proposed route and stops. Below are three links; they include a link to the survey itself (conducted in both English and Spanish) and the survey results.

<https://files.acrobat.com/a/preview/a5872ac4-bc72-41e3-bc3e-cfd94c17a291>

<https://files.acrobat.com/a/preview/fd565b18-b302-4b98-8918-afb55e42a03d>

<https://files.acrobat.com/a/preview/3847c5b2-b147-4b45-946d-1a1732ab12dc>

RECOMMENDED ACTION: Staff recommends approval of the contract with CU-MTD

DEPARTMENT HEAD APPROVAL:

VILLAGE ADMINISTRATOR:
Jeffrey Fiegenschuh, Administrator

Westbound				Eastbound				
GM	Garnard & Schenck	Walmart	Turner Drive	Turner Drive	Walmart	Prosser Double	MCC/Youth Center	GM
5:00	5:09	5:15	5:40	5:45	5:51	6:03	6:11	6:20
5:25	5:34	5:40	6:05	6:10	6:16	6:28	6:36	6:45
5:50	5:59	6:05	6:30	6:35	6:41	6:53	7:01	7:10
6:25	6:34	6:40	7:05	7:10	7:16	7:28	7:36	7:45
6:50	6:59	7:05	7:30	7:35	7:41	7:53	8:01	8:10
7:15	7:24	7:30	7:55	7:55	8:01	<>		
7:50	7:59	8:05	<>					

				3:00	3:06	3:18	3:26	3:35
				3:25	3:31	3:43	3:51	4:00
				3:50	3:56	4:08	4:16	4:25
3:40	3:49	3:55	4:20	4:25	4:31	4:43	4:51	5:00
4:05	4:14	4:20	4:45	4:50	4:56	5:08	5:16	5:25
4:30	4:39	4:45	5:10	5:15	5:21	5:33	5:41	5:50
5:05	5:14	5:20	5:45	5:50	5:56	<>		
5:25	5:34	5:40	6:05	<>				
5:50	5:59	6:05	<>					

<>	End of route
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**BOARD OF TRUSTEES
VILLAGE OF RANTOUL**

AGENDA ITEM

PAGE 1 OF 1

ITEM: Redevelopment Agreement, Shields Auto	DEPARTMENT: Administration/ED
AGENDA SECTION:	AMOUNT: See attached document
ATTACHMENTS: <input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> OTHER (See Summary Highlights) <input checked="" type="checkbox"/> SUPPORTING DOCUMENTS	DATE: 10/04/2016
<p>SUMMARY HIGHLIGHTS: This past year staff has worked to produce a redevelopment agreement for your consideration with Shields Auto in the newly formed TIF 4. The negotiations were based on the parameters we discussed earlier this year.</p> <p>A summary of the key highlights are below. Although they have not broken ground yet, the hope is the project will move forward yet this calendar year. Once this is approved and the redevelopment agreement is signed the project can move forward.</p> <p>The key provisions of the proposed agreement are below:</p> <ul style="list-style-type: none"> ➤ The village will reimburse Shields Auto for the demolition of the Moose building currently located on their property. The village will then be reimbursed next year with newly generate TIF revenues. ➤ The Village of Rantoul agrees to rebate Shields Auto Center, Inc. 50% of the increased sales taxes at the new location for a period of 10 years. This formula will be based on the previous three calendar years sales tax average. The rebate only applies to the 1% state sales tax shared with municipalities on automobiles. The rebate of the home rule sales tax only applies to merchandise sold within the facility. ➤ The village will waive all fees relating to the construction of the new dealership including building permit fees and utility connection and tap on fees. ➤ The property will be in the new enterprise zone effective January 1, 2017 and therefore this project will qualify for applicable enterprise zone benefits. The village will work with Shields Auto to navigate the process. ➤ The village will allow signage on the property that is deemed necessary by Ford or Chrysler in operating the business. ➤ The village agrees to split the increased increment 50/50 with Shields Auto, with a cap of \$50,000/per year of TIF eligible expenses for 20 years. See chart below outlining estimations. 	



GUTH
& ASSOCIATES



Request For
Proposals

801 W. Champaign Avenue
Rantoul, Illinois

Jill Guth, Guth & Associates
217-778-8305
jill.guth@outlook.com

Executive Summary

Guth & Associates, working in conjunction with the Village of Rantoul, is pleased to present the following Request for Proposals for the reuse and redevelopment of the property located at 801 West Champaign Avenue in Rantoul, Illinois ("the Property"). The property includes approximately 1.145 acres. The Property is located near the Interstate 57 interstate exchange, within a strong commercial corridor and near the Rantoul Industrial Park, a large employment center. Presently, an existing hotel/motel occupies the project site. It is assumed the existing structure will be demolished.

The Rantoul Village Board seeks to enter into a redevelopment agreement with a qualified developer, and may or may not do so based on the responses to this RFP that are received. This RFP is not an offer or a contract and the terms of any redevelopment agreement shall be negotiated between the Village and any developer selected by the Village in its sole discretion.

Project Summary

Site:	1.145 acres (49,876 square feet)
Price:	Market
Owner:	Parcel will be owned by the Village of Rantoul
Property Address:	801 W. Champaign Avenue, Rantoul, Illinois (PIN: 20-09-04-276-003)
Current Zoning:	C-2 General Commercial District
Potential Uses:	Commercial development with retail, hotel, and/or hospitality
RFP Questions:	Jill Guth, Guth & Associates 217-778-8305 jill.guth@outlook.com

RFP Responses Due: October 7, 2016

Village of Rantoul

The Village of Rantoul is located in northern Champaign County and approximately fifteen (15) miles north of Champaign-Urbana. Rantoul's population in 2010 was 12,941. Rantoul has a strong employment base, primarily located at the Rantoul Industrial Park. The Village of Rantoul is experiencing a renaissance. Rantoul was once the home of the Chanute Air Force Base. Twenty years later, Rantoul is emerging as a progressive community that supports innovation with thriving manufacturing, food, agriculture, research and high tech industries. Moving forward, Rantoul is celebrating, and building on, the diverse culture left behind from being a global military training base by reinvesting in our urban core, and supporting tourism. Rantoul's existing industries are growing. Community members are eager for new offerings and amenities that will reinforce the lifestyle that makes Rantoul a great place to live. Development projects are underway and in the planning stages, both with highway access and in the town's center.

For demographic information on the Village of Rantoul as well as retail opportunities, please visit: www.myrantoul.com/index.aspx?nid=251

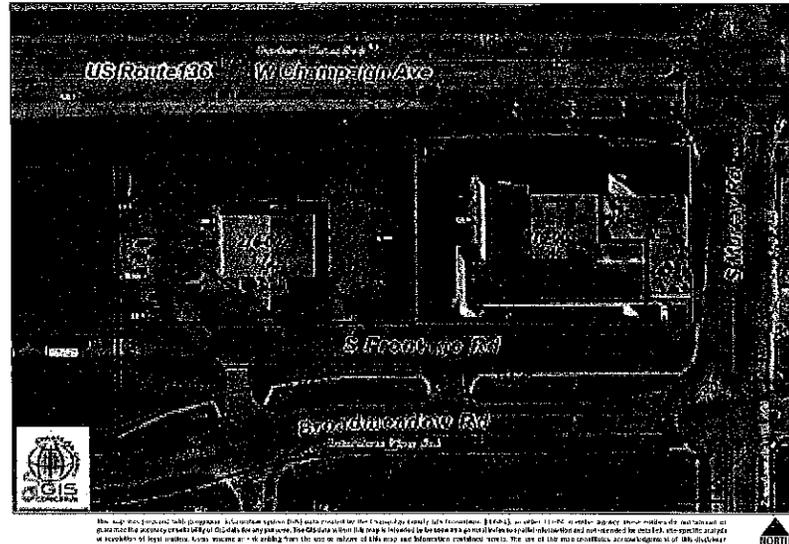
Site Information



Champaign Avenue Retail Corridor 08-2016

An existing hotel/motel presently occupies the Property. It is assumed the building will be acquired by the Village of Rantoul and will be demolished as part of the redevelopment. The Property is located within a recently finalized Tax Increment Financing District (TIF). In addition, the Village has recently applied for an extension of its Enterprise Zone to encompass this property. Approval is pending and expected in early 2017. The life of the TIF district has twenty-two (22) years remaining. Directly south of the property and north of Broadmeadow Road, lies a twenty-five (25) foot wide strip of land owned by the Illinois Department of Transportation. This property could be acquired, via the Village of Rantoul, and included in the redevelopment project. Additionally, the existing curb cut on South Murray Road, directly south of the intersection of Champaign Avenue and South Murray Road will be abandoned with redevelopment. The curb cut will need to be located further south along South Murray Road as well as additional opportunity for curb cut(s) along Broadmeadow Road. Demolition costs associated with the existing building are a reimbursable expense via the TIF District. The Village of Rantoul may also consider establishing a Business Improvement District in the area to spur redevelopment.

GIS Webmap Public Interface Champaign County, Illinois



The map data provided here represents a general overview of the Village of Rantoul, Illinois. It is not intended to be used for any specific analysis or as a substitute for a professional survey. The GIS data shown here may be subject to change without notice and is not intended to be used for any specific analysis or as a substitute for a professional survey. The use of the map is subject to the terms and conditions of the Village of Rantoul.

Champaign Avenue is a strong retail corridor for the Village of Rantoul. Along the corridor, national retailers include Wal-Mart, McDonald's, Burger King, Jimmy John's, Taco Bell, Arby's, Mobile Super Pantry, and BP. Currently under construction is a Holiday Inn Express hotel. Additionally, a local car dealership has plans to relocate its entire operation to property immediately west of 801 W Champaign Avenue. The proposed opening of the Ford/Chrysler dealership is fall, 2017.

The Rantoul Industrial Park is located on the west side of the Interstate 57/Champaign Avenue interstate exchange. Companies in the park include: BRG Sports, Jeld-Wen, Con-Air, Eagle Wings, Combe Laboratories, and Rantoul Foods.

Project Goals and Requirements

Through this redevelopment, the following goals are hoped to be accomplished. The Property is located within the C-2 General Commercial Zoning District. Information on the zoning district can be found at www.village.rantoul.il.us.

- ✓Redevelopment of high visibility parcel at corner of Champaign Avenue and Murray Road.
- ✓Improve image of community as parcel is an entry point into the Village of Rantoul.
- ✓Add square footage of commercial space available in Village of Rantoul.
- ✓Well-designed building. Please note there are exterior building standards for commercial buildings in the Village of Rantoul.
- ✓Sell property at its market value.
- ✓Utilize locally owned firms in the design and/or construction of the project.
- ✓Attraction of regional and national tenants, including national chain restaurant.
- ✓If a hotel, must be national, flagged hotel.
- ✓Development must be aesthetically pleasing from all sides. Garbage/recycling areas must be contained within an enclosure.
- ✓Parking must meet the zoning requirements of the Village of Rantoul.

Submittal Requirements

The project proposal must include, but is not limited to, the following items:

1. A written description of the project.
2. A general plan and rendering of the proposed project. Include square footage of retail spaces (if proposed).
3. The anticipated land uses, including types of retail, restaurant, and/or hospitality and an indication if any interest has been demonstrated by potential tenants or end users.
4. The proposed schedule for development. Schedule should include agreement negotiation and due diligence period.
5. Total number of parking spaces within the development.
6. A draft project financial pro forma, including construction financing and project revenues.
7. A description of any assistance needed from the Village of Rantoul, including any financial incentives, and why it is needed to make the project financially feasible.
8. Example(s) of similar projects undertaken by the developer and their locations.
9. The proposed purchase price including and explanation and rationale if proposed to be less than the appraised value.
10. The proposed construction type based upon applicable building codes.

Additional information may be requested following submittal.

Proposal Information and Deadline

All communications pertaining to the RFP must be directed to:

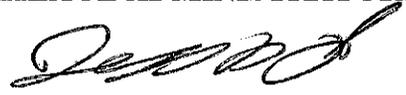
Jill Guth
Guth & Associates
2506 Galen Drive, Suite 101
Champaign IL 61820
217-778-8305
jill.guth@outlook.com

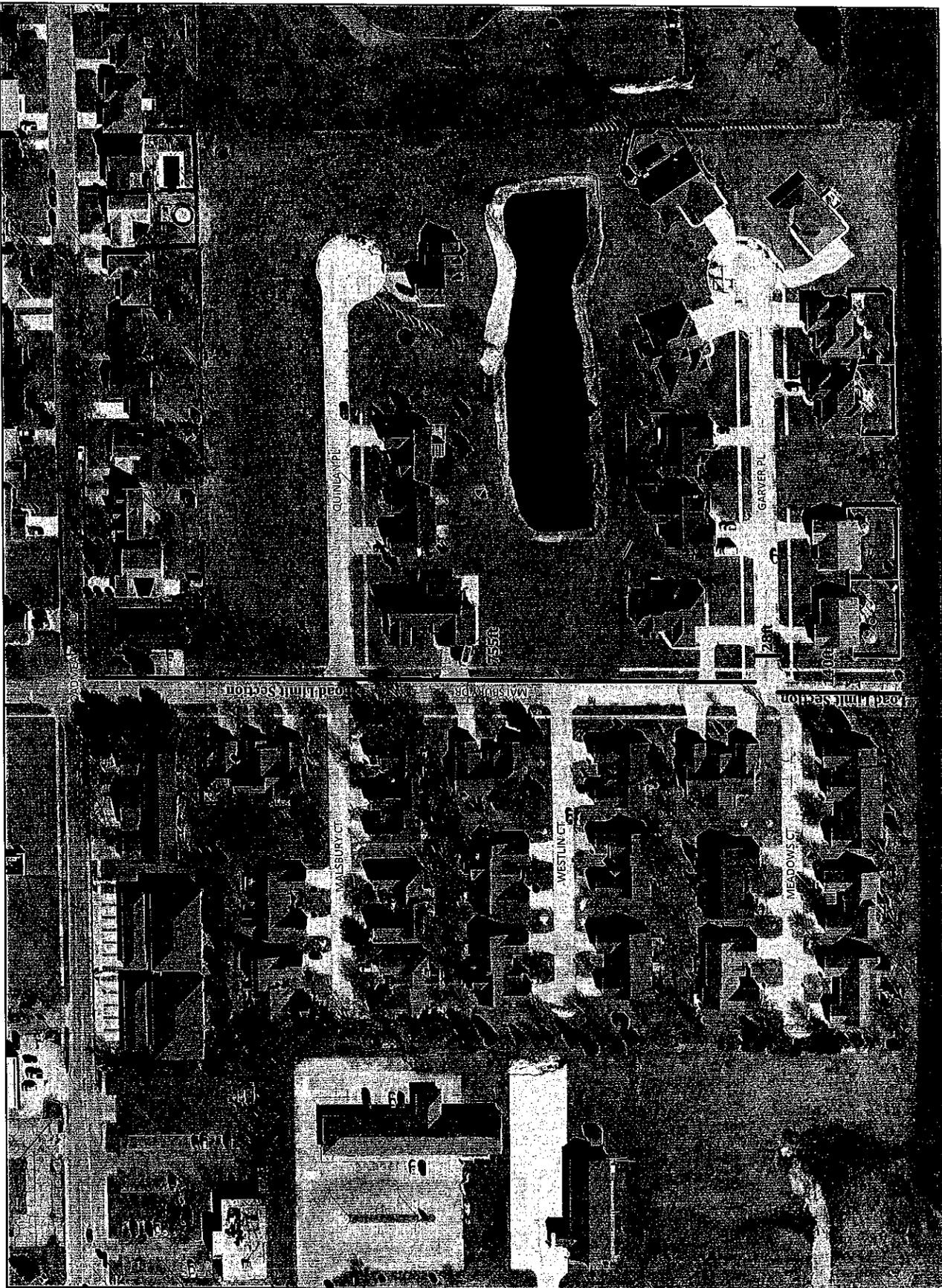
Questions concerning this RFP must be submitted, via email to Jill Guth, by 5:00 pm on Friday, September 16th. All questions and answers will be posted no later than 5:00 pm on Friday, September 23, 2016 on the Village of Rantoul website as well as emailed to the entire mailing list for this RFP.

Proposals are due at 5 p.m. on October 7, 2016. Respondents may submit their proposal via hard copy to the street address above or via electronically as a single PDF format file copy to the email address above. Only one copy of the submission is necessary.

**BOARD OF TRUSTEES
VILLAGE OF RANTOUL**

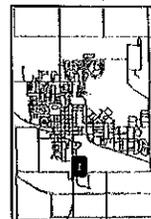
AGENDA ITEM	PAGE _____ OF _____
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ITEM: Malsbury Drive – Load Limit	DEPARTMENT: Public Works
AGENDA SECTION:	AMOUNT: \$150
ATTACHMENTS: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input checked="" type="checkbox"/> OTHER (See Summary Highlights) <input checked="" type="checkbox"/> SUPPORTING DOCUMENTS	DATE: September 26, 2016
SUMMARY HIGHLIGHTS: <p>The Agenda item provides for establishing a Load Limit on Malsbury Drive from Broadmeadow Road to 140' south of Garver Place. Limiting the load limit on this roadway to twelve (12) tons will protect and extend the life of the pavement through this residential area.</p> <p>Signs will be posted to inform truck traffic of these limitations.</p>	
RECOMMENDED ACTION: <p>Authorize the establishment of a twelve (12) ton load limit on Malsbury Drive from Broadmeadow Road to 140' south of Garver Place.</p>	
DEPARTMENT HEAD APPROVAL: G. Gregory Hazel, P.E. 	VILLAGE ADMINISTRATOR: 
AGENDA PAGE NUMBER:	



Village of Rantoul
Malbury

0 20 40 80 120 Feet



09/22/2016
Village of Rantoul
Public Works Dept.
200 W. Grove Avenue
Rantoul, IL 61866
(317) 892-2178



2014 Aerial Image provided by
Champaign County GIS Consortium
NOTE: This product was prepared for informational
and general reference purposes. The Village of Rantoul
does not warrant the accuracy, completeness, or
timeliness of the information provided.

BUDGET AMENDMENT

BA-FY #17-02

REQUESTED BY:	DEPARTMENT/FUND	DEPT. PRIORITY
POLICE DEPARTMENT	FUND <u>001</u> DEPT <u>05</u>	

THIS BUDGET INCREASE IS:

FOR A RECURRING EXPENSE FOR CAPITAL OUTLAY
 FOR A ONE-TIME EXPENDITURE FOR O&M EXPENSE

COST DETAIL

ACCOUNT CODE	FY 16-17 BUDGET	AMENDED BUDGET	DIFFERENCE
001-0510-420-7520 BUILDINGS	\$118,000	\$159,200	\$41,200
001-0510-420-4031 BLDG MAINT & REPAIR	\$32,550	\$9,950	(\$22,600)
001-0522-420-7550 VEHICLES	\$113,390	\$76,790	(\$36,600)
001-0510-420-4020 CLEANING SERVICES	\$0	\$18,000	\$18,000

DESCRIPTION: This amendment moves budget from the Vehicles and Building Maintenance accounts to the Building account for the completion of the building repair project at the Police Station. It also moves funds that were encumbered at year in the Building Maintenance account to the Cleaning Services account.

JUSTIFICATION:

PREPARED BY: <u>88</u>	DATE: <u>9/28/16</u>	COMPTROLLER REVIEW: <u>88</u>	DATE: <u>9/28/16</u>
BUDGET OFFICER REVIEW: <u>JF</u>	DATE:	ORD. #	DATE:
MAYOR/BOARD APPR.	DATE	INPUT INTO SYSTEM	DATE

REDEVELOPMENT AGREEMENT

by and between the

**VILLAGE OF RANTOUL,
CHAMPAIGN COUNTY, ILLINOIS**

and

SHIELDS AUTO CENTER, INC.

Dated as of October 1, 2016

Document Prepared By:

**Kenneth N. Beth
Evans, Froehlich, Beth & Chamley
44 Main Street, Third Floor
Champaign, IL 61820**

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EXHIBIT LIST

EXHIBIT A	Description of Property
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REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (including any exhibits and attachments hereto, collectively, this **“Agreement”**) is dated for reference purposes only as of October 1, 2016, but actually executed by each of the parties on the dates set forth beneath each of their respective signatures below, by and between the **Village of Rantoul, Champaign County, Illinois**, an Illinois municipal corporation (the **“Village”**), and **Shields Auto Center, Inc.**, an Illinois corporation (the **“Developer”**). This Agreement shall become effective upon the last of the Village and the Developer to execute and deliver this Agreement to the other (the **“Effective Date”**).

RECITALS

WHEREAS, in accordance with and pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*), as supplemented and amended (the **“TIF Act”**), including by the power and authority of the Village as a home rule unit under Section 6 of Article VII of the Constitution of the State of Illinois, the President and Board of Trustees of the Village (the **“Corporate Authorities”**) adopted a series of ordinances (Ordinance Nos. 2469, 2470 and 2471) on April 12, 2016, including as supplemented and amended (collectively, the **“TIF Ordinances”**); and

WHEREAS, under and pursuant to the TIF Act and the TIF Ordinance, the Village designated the Route 136 Redevelopment Project Area (the **“Redevelopment Project Area”**) and approved the related redevelopment plan, as supplemented and amended (the **“Redevelopment Plan”**), including the redevelopment projects described in the Redevelopment Plan (collectively, the **“Redevelopment Projects”**); and

WHEREAS, as contemplated by the Redevelopment Plan and the Redevelopment Projects, the Developer proposes to undertake (or cause to be undertaken) the Project (including related and appurtenant facilities as more fully defined below) upon the Property (as defined below); and

WHEREAS, the Property (as defined below) is within the Redevelopment Project Area; and

WHEREAS, the Developer is unwilling to undertake (or cause to be undertaken) the Project (as defined below) without certain tax increment finance incentives from the Village, which the Village is willing to provide; and

WHEREAS, the Village has determined that it is desirable and in the Village’s best interests to assist the Developer in the manner set forth in this Agreement; and

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

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. For purposes of this Agreement and unless the context clearly requires otherwise, the capitalized words, terms and phrases used in this Agreement shall have the meaning provided in the above Recitals and from place to place herein, including as follows:

“Annual Reimbursement Amounts” means, collectively, amounts to be reimbursed or paid to or as directed by the Developer from the Fund by the Village under and pursuant to Section 4.1 of this Agreement.

“Corporate Authorities” means the President and Board of Trustees of the Village.

“Eligible Redevelopment Project Costs” means those costs paid and incurred in connection with the Project which are authorized to be reimbursed or paid from the Fund as provided in Section 5/11-74.4-3(q) of the TIF Act, including: (a) costs of studies, surveys, development of plans and specifications including but not limited to professional service costs for architectural, engineering, legal, financial, planning or other services; (b) property assembly costs, including the acquisition of the Property, site preparation, and the clearing and grading of land; (c) costs of the construction of public works or improvements; and (d) up to 30% per year of interest costs incurred by the Developer related to the construction of the Project subject to the total cost limitations of such interest payments as set forth in subparagraph (D) of such Section, 5/11-74.4-3(q)(11).

“Fund” means, collectively, the “Special Tax Allocation Fund” for the Redevelopment Project Area established under Section 5/11-74.8 of the TIF Act and the TIF Ordinance.

“Incremental Property Taxes” means, net of all amounts required by operation of the TIF Act to be paid to other taxing districts, including as surplus, in each calendar year during the term of this Agreement, the portion of the ad valorem real estate taxes arising from levies upon the Property by taxing districts that is attributable to the increase in the equalized assessed value of the Property over the initial equalized assessed value of the Property as assigned by the Champaign County Clerk which, pursuant to the TIF Ordinances and Section 5/11-74.4-8(b) of the TIF Act, will be allocated to and when collected shall be paid to the Village Comptroller for deposit by the Village Comptroller into the Fund established to pay Eligible Redevelopment Project Costs and other redevelopment project costs as authorized under Section 5/11-74.4-3(q) of the TIF Act.

“Prevailing Wage Act” means the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) of the State of Illinois, the material terms of which require all contractors and subcontractors to pay all laborers, workers and mechanics performing work for any “public body” (as therein defined) or on any “public works” (as therein defined) no less than the “prevailing rate of wages” (hourly cash wages plus fringe benefits) in the county where the work is located and to perform certain notice and recordkeeping duties.

“Project” means the acquisition, construction and installation upon the Property of an automobile sales and service facility for Ford and Chrysler products, the building or buildings of which contain approximately _____ square feet.

“Project Commencement Date” means November 15, 2016, the date on or before which the actual construction of the Project is to commence as evidenced by actual site preparation of the Property.

“Project Completion Date” means July 1, 2017, the date on or before which the Project is substantially completed such that it is open to the public for commercial operation.

“Property” means, collectively, the real estate consisting of the approximately _____-acre parcel or parcels legally described on Exhibit A hereto, upon or within which the Project is to be undertaken and completed.

“Related Agreements” means all development, redevelopment, construction, financing or franchise agreements, whether now or hereafter existing, executed by the Developer in connection with the Project.

“Requisition” means a request by the Developer for a payment or reimbursement of Eligible Redevelopment Project Costs pursuant to the procedures set forth in Article VI of this Agreement.

“TIF Financing” means financing arrangements arising out of the TIF Act which pay or reimburse redevelopment project costs in whole or in part.

“Village Comptroller” means the Village Comptroller of the Village, or his or her designee.

Section 1.2. Construction. This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- (a) definitions include both singular and plural.
- (b) pronouns include both singular and plural and cover all genders; and
- (c) headings of sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- (d) all exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the Village. In order to induce the Developer to enter into this Agreement, the Village hereby makes certain representations and warranties to the Developer, as follows:

(a) **Organization and Standing.** The Village is a home rule municipality duly organized, validly existing and in good standing under the Constitution and laws of the State of Illinois.

(b) Power and Authority. The Village has full power and authority to execute and deliver this Agreement and to perform all of its agreements, obligations and undertakings hereunder.

(c) Authorization and Enforceability. The execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of the Village's Corporate Authorities. This Agreement is a legal, valid and binding obligation of the Village, enforceable against the Village in accordance with its terms, except to the extent that any and all financial obligations of the Village under this Agreement shall be limited to the availability of such Incremental Property Taxes therefor as may be specified in this Agreement and that such enforceability may be further limited by laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforceability of debtors' or creditors' rights, and by equitable principles.

(d) No Violation. Neither the execution nor the delivery of this Agreement or the performance of the Village's agreements, obligations and undertakings hereunder will conflict with, violate or result in a breach of any of the terms, conditions, or provisions of any agreement, rule, regulation, statute, ordinance, judgment, decree, or other law by which the Village may be bound.

(e) Governmental Consents and Approvals. No consent or approval by any governmental authority is required in connection with the execution and delivery by the Village of this Agreement or the performance by the Village of its obligations hereunder.

Section 2.2. Representations and Warranties of the Developer. In order to induce the Village to enter into this Agreement, the Developer makes the following representations and warranties to the Village:

(a) Organization. The Developer is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois.

(b) Power and Authority. The Developer has full power and authority to execute and deliver this Agreement and the Related Agreements and to perform all of its agreements, obligations and undertakings hereunder and thereunder.

(c) Authorization and Enforceability. The execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of the Developer's board of directors. This Agreement is a legal, valid and binding agreement, obligation and undertaking of the Developer, enforceable against the Developer in accordance with its terms, except to the extent that such enforceability may be limited by laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforceability of debtors' or creditors' rights, and by equitable principles.

(d) No Violation. Neither the execution nor the delivery or performance of this Agreement will conflict with, violate or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, or (with or without the giving of notice or the passage of time or both) entitle any party to terminate or declare a default under any contract, agreement, lease, license or instrument or any rule, regulation, statute, ordinance, judicial decision, judgment, decree

or other law to which the Developer is a party or by which the Developer or any of its assets may be bound.

(e) **Consents and Approvals.** No consent or approval by any governmental authority or by any other person or entity is required in connection with the execution and delivery by the Developer of this Agreement or the performance by the Developer of its obligations hereunder.

(f) **No Proceedings or Judgments.** There is no claim, action or proceeding now pending, or to the best of its knowledge, threatened, before any court, administrative or regulatory body, or governmental agency (1) to which the Developer is a party and (2) which will, or could, prevent the Developer's performance of its obligations under this Agreement.

(g) **Maintenance of Existence.** During the term of this Agreement, the Developer shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence in good standing as an Illinois corporation.

Section 2.3. Related Agreements. Upon the request of the Village, the Developer shall deliver true, complete and correct copies of all Related Agreements (redacted by the Developer to protect any confidential or proprietary information). The Developer represents and warrants to the Village that such Related Agreements now executed and delivered are in full force and effect and have not been cancelled or terminated and that the Developer is not aware of any of its obligations under any of such existing Related Agreements required to be performed on or before the date hereof which have not been performed by the Developer or the other parties thereto.

Section 2.4. Disclaimer of Warranties. The Village and the Developer acknowledge that neither has made any warranties to the other except as set forth in this Agreement. The Village hereby disclaims any and all warranties with respect to the Property and the Project, express or implied, including, without limitation, any implied warranty of fitness for a particular purpose or merchantability or sufficiency of the Incremental Property Taxes for the purposes of this Agreement. Nothing has come to the attention of the Developer to question the assumptions or conclusions or other terms and provisions of any projections of Incremental Property Taxes, and the Developer assumes all risks in connection with the practical realization of any such projections of Incremental Property Taxes.

ARTICLE III
CONDITIONS PRECEDENT TO THE UNDERTAKINGS
ON THE PART OF THE DEVELOPER AND THE VILLAGE

Section 3.1. Conditions Precedent. The undertakings on the part of the Village as set forth in this Agreement are expressly contingent upon each of the following:

- (1) The Developer shall have delivered to the Village an itemized list of any and all estimated costs to complete the Project (the "**Project Budget**") in accordance with such final development plans as may be approved by the Village;
- (2) The Developer shall have provided evidence, in a commercially reasonable form satisfactory to the Village, of its ability to pay for the costs of the Project, as itemized in the Project Budget;

- (3) The Developer shall have delivered to the Village a construction schedule for the commencement and completion of the Project which shall include the Project Commencement Date and the Project Completion Date; and
- (4) The Developer shall have obtained approval of the Project in accordance with all applicable laws, codes, rules, regulations and ordinances of the Village, including without limitation all applicable subdivision, zoning, environmental, building code or any other land use regulations (collectively, the “**Village Codes**”), it being understood that the Village in its capacity as a municipal corporation has discretion to approve the Project.

Section 3.2. Reasonable Efforts and Notice of Termination. The Developer shall use due diligence to timely satisfy the conditions set forth in Section 3.1 above on or before the Project Commencement Date, but if such conditions are not so satisfied or waived by the Village, then the Village may terminate this Agreement by giving written notice thereof to the Developer. In the event of such termination, this Agreement shall be deemed null and void and of no force or effect and neither the Village nor the Developer shall have any obligation or liability with respect thereto.

ARTICLE IV **VILLAGE’S COVENANTS AND AGREEMENTS**

Section 4.1. Village’s TIF Funded Financial Obligations. The Village shall have the obligations set forth in this Section 4.1 relative to financing Eligible Redevelopment Project Costs in connection with the Project. Upon the submission to the Village by the Developer of a Requisition for Eligible Redevelopment Project Costs incurred and paid by or on behalf of the Developer and the approval thereof by the Village in accordance with Article VI of this Agreement, the Village, subject to the terms, conditions and limitation set forth in this Section 4.1 immediately below, agrees to reimburse the Developer, or to pay as directed by the Developer, from the Fund such annual amounts (the “**Annual Reimbursement Amounts**”) related to Project upon the Property as follows:

(a) **Annual Reimbursement Amounts.** Such Annual Reimbursement Amounts in connection with the Project in any one calendar year shall be equal to fifty percent (50%) of the Incremental Property Taxes attributable to the Property which are actually received by the Village in each such calendar year subject to the further terms and limitations of this Section immediately below;

(b) **Calculation.** For the purpose of calculating the total amount of Incremental Property Taxes attributable to the Property for any such calendar year, the total equalized assessed value (the “**EAV**”) of the Property shall be reduced by the amount of \$ _____ and the result shall be multiplied by the total tax rate of all taxing districts having taxable property within the Redevelopment Project Area for any such applicable calendar year.

(c) **Period of Annual Reimbursements.** The obligations of the Village to reimburse the Developer for any Annual Reimbursement Amounts under this Section 4.1 shall be for a maximum period of twenty (20) calendar years, commencing with the calendar year immediately following the calendar year in which a certificate of occupancy is issued for the Project, and shall terminate: (i)

upon reimbursement by the Village in accordance with Article VI of this Agreement not later than December 31 of the twentieth (20th) calendar year in which any such Annual Reimbursement Amounts in connection with the Project become due and payable pursuant to this Section 4.1 and Article VI hereof or (ii) at any time the Project ceases continuous commercial operation or “goes dark”; and

(d) **Dollar Limitation of Annual Reimbursement Amounts.** The total amount of all such payments of Annual Reimbursement Amounts pursuant to this Section 4.1(a) shall not exceed the total amount of all Eligible Redevelopment Project Costs which are directly attributable and allocable to the Project upon the Property or \$50,000 per year, whichever is less.

Section 4.2. Demolition Reimbursement. Upon the completion of the demolition by the Developer of the so-called “Moose Lodge” building located upon the Property, the Village agrees to reimburse the Developer the actual cost of such demolition. In order to be eligible for such reimbursement, the Developer shall first submit to the Village such supporting documentation related to such demolition as is otherwise required by Section 6.1 hereof.

Section 4.3. Signage. The Village agrees to permit: (i) all signage on the Property that is reasonably required by Ford and Chrysler in connection with the operation of their respective automobile dealership on the Property; and (ii) the installation of an off-premises sign of sufficient size to be readable along Murray Road directing customers onto Broadmeadow Road towards the Property.

Section 4.4. Permit and Utility Connection Fees. The Village agrees to waive all building and construction fees and all utility connection fees for the Project upon the Property.

Section 4.5. Defense of Redevelopment Project Area. In the event that any court or governmental agency having jurisdiction over enforcement of the TIF Act and the subject matter contemplated by this Agreement shall determine that this Agreement, including the payments of any Annual Reimbursement Amounts to be paid or reimbursed by the Village, is contrary to law, or in the event that the legitimacy of the Redevelopment Project Area is otherwise challenged before a court or governmental agency having jurisdiction thereof, the Village will defend the integrity of the Redevelopment Project Area and this Agreement. Anything herein to the contrary notwithstanding, the Developer agrees that the Village may, to the extent permitted by law, use any Incremental Property Taxes, including any unpaid Annual Reimbursement Amounts, if available, to be redirected to reimburse the Village for its defense costs, including without limitation attorneys’ fees and expenses.

ARTICLE IV DEVELOPER’S COVENANTS

Section 5.1. Commitment to Undertake and Complete Project. The Developer covenants and agrees to undertake and complete the Project on or before the Project Completion Date. The Developer recognizes and agrees that the Village has sole discretion with regard to all approvals and permits relating to the Project, including but not limited to approval of any required permits, and any failure on the part of the Village to grant or issue any such required permit shall not give rise to any claim against or liability of the Village pursuant to this Agreement. The Village

agrees, however, that any such approvals shall be made in conformance with the Village Codes and shall not be unreasonably denied, withheld, conditioned or delayed.

Section 5.2. Compliance with Agreement and Laws During Development. The Developer shall at all times acquire, construct and install the Project, including any related required improvements, in conformance with this Agreement and all applicable laws, rules and regulations, including without limitation all applicable subdivision, zoning, environmental, building code or any other land use ordinances of the Village, and, to the extent applicable, the Prevailing Wage Act. Any agreement of the Developer related to the design, construction or installation of the Project with any contractor, subcontractor or supplier shall, to the extent applicable, contain provisions substantially similar to those required of the Developer under this Agreement.

Section 5.3. Prevailing Wages. The Developer acknowledges that the Illinois Department of Labor currently takes the position as a matter of its enforcement policy that the TIF Financing of the Project under this Agreement does not subject the Project to the Prevailing Wage Act unless the Project also receives funding from another public source. The Village makes no representation as to any such application of the Prevailing Wage Act to the Project, and any failure by the Developer to comply with the Prevailing Wage Act, if and to the extent subsequently found to be applicable by any legal authority having jurisdiction, shall not be deemed a "Default" under this Agreement. Notwithstanding the foregoing sentence, the Developer agrees to assume all responsibility for any such compliance (or noncompliance) with the Prevailing Wage Act in connection with the Project under this Agreement in the event of any action by any party to enforce its provisions.

Section 5.4. Village's Right to Audit Developer's Books and Records. The Developer agrees that the Village or its agents shall have the right and authority to review and audit, from time to time (at the Developer's principal office during normal business hours) the Developer's books and records relating to the total amount of all costs paid or incurred by the Developer for the Project and the total amount of related Eligible Redevelopment Project Costs, in order to confirm that any such Eligible Redevelopment Project Costs claimed to have been paid and incurred by the Developer were directly related and allocable to the costs of the Project or to any financing of the acquisition or construction of the Project and were in fact paid and incurred by the Developer.

Section 5.5. Continuing Compliance with Laws. The Developer agrees that in the continued use, occupation, operation and maintenance of the Project, the Developer will comply with all applicable federal and state laws, rules, regulations and all applicable Village Codes and other ordinances.

Section 5.6. Tax and Related Payment Obligations. The Developer agrees to pay and discharge, promptly and when the same shall become due, all general ad valorem real estate taxes and assessments, all applicable interest and penalties thereon, and all other charges and impositions of every kind and nature which may be levied, assessed, charged or imposed upon the Property or any part thereof that at any time shall become due and payable upon or with respect to, or which shall become liens upon, any part of the Developer's Property. The Developer, including any others claiming by or through it, also hereby covenants and agrees not to file any application for property tax exemption for any part of the Property under any applicable provisions of the Property Tax Code of the State of Illinois (35 ILCS 200/1-1 et seq.), as supplemented and amended, unless the Village and the Developer shall otherwise have first entered into a mutually acceptable agreement under and by which the Developer shall have agreed to make a payment in lieu of taxes to the

Village, it being mutually acknowledged and understood by both the Village and the Developer that any such payment of taxes (or payment in lieu thereof) by the Developer is a material part of the consideration under and by which the Village has entered into this Agreement. This covenant of the Developer shall be a covenant that runs with the land being the Property upon which the Project is undertaken and shall be in full force and effect until December 31, 2040, upon which date this covenant shall terminate and be of no further force or effect (and shall cease as a covenant binding upon or running with the land) immediately, and without the necessity of any further action by Village or Developer or any other party; provided, however, upon request of any party in title to the Property, the Village shall execute and deliver to such party an instrument, in recordable form, confirming for the record that this covenant has terminated and is no longer in effect. Nothing contained within this Section 5.6 shall be construed, however, to prohibit the Developer from initiating and prosecuting at its own cost and expense any proceedings permitted by law for the purpose of contesting the validity or amount of taxes, assessments, charges or other impositions levied or imposed upon the Developer's Property or any part thereof.

Section 5.7. Village Sign. Upon the Effective Date of this Agreement, the Village shall be granted the right to erect signage upon the Property announcing the undertaking of the Project.

ARTICLE VI

PAYMENT PROCEDURES FOR ELIGIBLE REDEVELOPMENT PROJECT COSTS

Section 6.1. Payment Procedures. The Village and the Developer agree that the Eligible Redevelopment Project Costs constituting the Annual Reimbursement Amounts shall be paid solely, and to the extent available, from Incremental Property Taxes that are deposited in the Fund and not otherwise. The Village and the Developer intend and agree that any Annual Reimbursement Amounts shall be disbursed by the Village Comptroller for payment to the Developer in accordance with the procedures set forth in this Section 6.1 of this Agreement.

The Village hereby designates the Village Comptroller as its representative to coordinate the authorization of disbursement of any Annual Reimbursement Amounts for the Eligible Redevelopment Project Costs. Payments to the Developer of any Annual Reimbursement Amounts for Eligible Redevelopment Project Costs shall be made upon request therefor, in form reasonably acceptable to the Village (each being a "**Requisition**") submitted by the Developer at any time with respect to Eligible Redevelopment Project Costs incurred and paid but not previously submitted. Each such Requisition shall be accompanied by appropriately supporting documentation, including, as applicable receipts for paid bills or statements of suppliers, contractors or professionals, together with required contractors' affidavits or lien waivers.

Section 6.2. Approval and Resubmission of Requisitions. The Village Comptroller shall give the Developer written notice disapproving any of the Requisitions within ten (10) days after receipt thereof. No such approval shall be denied except on the basis that (i) all or some part of the Requisition does not constitute Eligible Redevelopment Project Costs or has not otherwise been sufficiently documented as specified herein; or (ii) a "Default" under this Agreement as described in Section 6.1 hereof has occurred and is continuing. If a Requisition is disapproved by such Village Comptroller, the reasons for disallowance will be set forth in writing and the Developer may resubmit any such Requisition with such additional documentation or verification as may be required, if that is the basis for denial. The same procedures set forth herein applicable to disapproval shall apply to such resubmittals.

Section 6.3. Carryover. Upon the approval of any applicable Requisition as set forth in Section 6.2 above, any excess amount of Eligible Redevelopment Project Costs approved therein, which are over and above the amount of any Annual Reimbursement Amounts then payable as specified in Section 6.1 of this Agreement, shall carry over into any remaining future years that any such Annual Reimbursement Amounts become due and payable under this Agreement.

Section 6.4. Time of Payment. Provided that performance of this Agreement has not been suspended or terminated by the Village under Article VII hereof, the Village shall pay each of the applicable Annual Reimbursement Amounts which are approved by any one or more Requisitions under this Article to the Developer within thirty (30) calendar days after (i) the approval of any such applicable Requisition; (ii) the receipt by the Village of evidence from the Developer of the payment in full of the total property taxes attributable to the Property in any such applicable calendar year or (iii) the receipt by the Village of the last installment of the Incremental Property Taxes in any such applicable calendar year, whichever in (i), (ii) or (iii) is later.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.1. Events of Default. The occurrence of any one or more of the events specified in this Section 6.1 shall constitute a “Default” under this Agreement.

By the Developer:

(1) The furnishing or making by or on behalf of the Developer of any statement or representation in connection with or under this Agreement or any of the Related Agreements that is false or misleading in any material respect;

(2) The failure by the Developer to timely perform any term, obligation, covenant or condition contained in this Agreement or any of the Related Agreements;

By the Village:

(1) The failure by the Village to pay any Annual Reimbursement Amounts which become due and payable in accordance with the provisions of this Agreement; and

(2) The failure by the Village to timely perform any other term, obligation, covenant or condition contained in this Agreement.

Section 7.2. Rights to Cure. The party claiming a Default under Section 7.1 of this Agreement (the “Non-Defaulting Party”) shall give written notice of the alleged Default to the other party (the “Defaulting Party”) specifying the Default complained of. Except as required to protect against immediate, irreparable harm, the Non-Defaulting Party may not institute proceedings or otherwise exercise any right or remedy against the Defaulting Party until thirty (30) days after having given such notice, provided that in the event a Default is of such nature that it will take more than thirty (30) days to cure or remedy, such Defaulting Party shall have an additional period of time reasonably necessary to cure or remedy such Default provided that such Defaulting Party promptly commences and diligently pursues such cure or remedy. During any such period following the giving of notice, the Non-Defaulting party may suspend performance under this Agreement until the Non-Defaulting Party receives written assurances from the Defaulting Party,

deemed reasonably adequate by the Non-Defaulting Party, that the Defaulting Party will cure or remedy the Default and remain in compliance with its obligations under this Agreement. A Default not cured or remedied or otherwise commenced and diligently pursued within thirty (30) days as provided above shall constitute a “**Breach**” under this Agreement. Except as otherwise expressly provided in this Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any Default or any Breach shall not operate as a waiver of any such Default, Breach or of any other rights or remedies it may have as a result of such Default or Breach.

Section 7.3. Remedies. Upon the occurrence of a Breach under this Agreement by the Developer, the Village shall have the right to terminate this Agreement by giving written notice to the Developer of such termination and the date such termination is effective. Except for such right of termination by the Village, the only other remedy available to either party upon the occurrence of a Breach under this Agreement by the Defaulting Party shall be to institute such proceedings as to damages or otherwise as may be necessary or desirable in its opinion to cure or remedy such Breach, including but not limited to proceedings to compel specific performance or other appropriate equitable relief. Notwithstanding anything herein to the contrary, the sole remedy of the Developer upon the occurrence of a Breach by the Village under any of the terms and provisions of this Agreement shall be to institute legal action against the Village for specific performance or other appropriate equitable relief and under no circumstances shall the Village be liable to the Developer for any indirect, special, consequential or punitive damages, including without limitation, loss of profits or revenues, loss of business opportunity or production, cost of capital, claims by customers, fines or penalties, whether liability is based upon contract, warranty, negligence, strict liability or otherwise, under any of the provisions, terms and conditions of this Agreement. In the event that any failure of the Village to pay any Annual Reimbursement Amounts which become due and payable in accordance with the provisions hereof is due to insufficient Incremental Property Taxes being available to the Village, any such failure shall not be deemed to be a Default or a Breach on the part of the Village.

Section 7.4. Costs, Expenses and Fees. Upon the occurrence of a Default or a Breach which requires either party to undertake any action to enforce any provision of this Agreement, the Defaulting Party shall pay upon demand all of the Non-Defaulting Party’s charges, costs and expenses, including the reasonable fees of attorneys, agents and others, as may be paid or incurred by such Non-Defaulting Party in enforcing any of the Defaulting Party’s obligations under this Agreement or in any litigation, negotiation or transaction in connection with this Agreement in which the Defaulting Party causes the Non-Defaulting Party, without the Non-Defaulting Party’s fault, to become involved or concerned.

ARTICLE VIII

RELEASE, DEFENSE AND INDEMNIFICATION OF VILLAGE

Section 8.1. Declaration of Invalidity. Notwithstanding anything herein to the contrary, the Village, its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable to the Developer for damages of any kind or nature whatsoever or otherwise in the event that all or any part of the TIF Act, or any of the TIF Ordinances or other ordinances of the Village adopted in connection with either the TIF Act, this Agreement or the Redevelopment Plan, shall be declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the Village is prevented from performing any of the covenants and

agreements herein or the Developer is prevented from enjoying the rights and privileges hereof; provided that nothing in this Section 8.1 shall limit otherwise permissible claims by the Developer against the Fund or actions by the Developer seeking specific performance of this Agreement or other relevant contracts, if any, in the event of a Breach of this Agreement by the Village.

Section 8.2. Damage, Injury or Death Resulting from Project. The Developer releases from and covenants and agrees that the Village and its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable for, and agrees to indemnify and hold harmless the Village, its Corporate Authorities, officials, agents, employees and independent contractors thereof against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the construction or installation of the Project, except as such may be caused by the intentional conduct, gross negligence, negligence or other acts or omissions of the Village, its Corporate Authorities, officials, agents, employees or independent contractors that are contrary to the provisions of this Agreement.

Section 8.3. Damage or Injury to Developer and Others. The Village and its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable for any damage or injury to the persons or property of the Developer or any of its officers, agents, independent contractors or employees or of any other person who may be about the Property or the Project due to any act of negligence of any person, except as such may be caused by the intentional misconduct, gross negligence, or acts or omissions of the Village, its Corporate Authorities, officials, agents, employees, or independent contractors that are contrary to the provisions of this Agreement.

Section 8.4. No Personal Liability. All covenants, stipulations, promises, agreements and obligations of the Village contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Village and not of any of its Corporate Authorities, officials, agents, employees or independent contractors in their individual capacities. No member of the Corporate Authorities, officials, agents, employees or independent contractors of the Village shall be personally liable to the Developer **(i)** in the event of a Default or Breach by any party under this Agreement, or **(ii)** for the payment of any Annual Reimbursement Amounts which may become due and payable under the terms of this Agreement.

Section 8.5. Village Not Liable for Developer Obligations. Notwithstanding anything herein to the contrary, the Village shall not be liable to the Developer for damages of any kind or nature whatsoever arising in any way from this Agreement, from any other obligation or agreement made in connection therewith or from any Default or Breach under this Agreement; provided that nothing in this Section 8.5 shall limit otherwise permissible claims by the Developer against the Fund or actions by the Developer seeking specific performance of this Agreement or other relevant contracts in the event of a Breach of this Agreement by the Village.

Section 8.6. Actions or Obligations of Developer. The Developer agrees to indemnify, defend and hold harmless the Village, its Corporate Authorities, officials, agents, employees and independent contractors, from and against any and all suits, claims and cost of attorneys' fees, resulting from, arising out of, or in any way connected with **(i)** any of the Developer's obligations under or in connection with this Agreement, **(ii)** the construction or installation of the Project, **(iii)** the Developer's compliance with the Prevailing Wage Act if, as and when applicable to the Project, and **(iv)** the negligence or willful misconduct of the Developer, its officials, agents, employees or

independent contractors in connection with the management, development, redevelopment, construction or installation of the Project, except as such may be caused by the intentional conduct, gross negligence, negligence or breach of this Agreement by the Village, its Corporate Authorities, officials, agents, employees or independent contractors.

Section 8.7. Environmental Covenants. To the extent permitted by law, the Developer agrees to indemnify, defend, and hold harmless the Village, its Corporate Authorities, officials, agents, employees and independent contractors, from and against any and all claims, demands, costs, liabilities, damages or expenses, including attorneys' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses, arising from: **(i)** any release or threat of a release, actual or alleged, of any hazardous substances, upon or about the Property or respecting any products or materials previously, now or thereafter located upon, delivered to or in transit to or from the Property regardless of whether such release or threat of release or alleged release or threat of release has occurred prior to the date hereof or hereafter occurs and regardless of whether such release occurs as a result of any act, omission, negligence or misconduct of the Village or any third party or otherwise; **(ii)** (A) any violation now existing (actual or alleged) of, or any other liability under or in connection with, any environmental laws relating to or affecting the Property, or (B) any now existing or hereafter arising violation, actual or alleged, or any other liability, under or in connection with, any environmental laws relating to any products or materials previously, now or hereafter located upon, delivered to or in transit to or from the Property, regardless of whether such violation or alleged violation or other liability is asserted or has occurred or arisen prior to the date hereof or hereafter is asserted or occurs or arises and regardless of whether such violation or alleged violation or other liability occurs or arises, as the result of any act, omission, negligence or misconduct of the Village or any third party or otherwise; **(iii)** any assertion by any third party of any claims or demands for any loss or injury arising out of, relating to or in connection with any hazardous substances on or about or allegedly on or about the Property; or **(iv)** any breach, falsity or failure of any of the representations, warranties, covenants and agreements of the like. For purposes of this section, "hazardous materials" includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 9601 et seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule, or regulation.

Section 8.8. Notification of Claims. Not later than thirty (30) days after the Developer becomes aware, by written or other overt communication, of any pending or threatened litigation, claim or assessment, the Developer will, if a claim in respect thereof is to be made against the Developer which affects any of the Developer's rights or obligations under this Agreement, notify the Village of such pending or threatened litigation, claim or assessment, but any omission so to notify the Village will not relieve the Developer from any liability which it may have to the Village under this Agreement.

ARTICLE IX **MISCELLANEOUS PROVISIONS**

Section 9.1 Entire Agreement and Amendments. This Agreement (together with Exhibit A attached hereto) is the entire agreement between the Village and the Developer relating to the

subject matter hereof. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, including in particular the Letter of Understanding, and may not be modified or amended except by a written instrument executed by both of the parties.

Section 9.2. Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the Village and the Developer and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation or liability of any third persons to either the Village or the Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the Village or the Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

Section 9.3. Counterparts. Any number of counterparts of this Agreement may be executed and delivered and each shall be considered an original and together they shall constitute one agreement.

Section 9.4. Special and Limited Obligation. This Agreement shall constitute a special and limited obligation of the Village according to the terms hereof. This Agreement shall never constitute a general obligation of the Village to which its credit, resources or general taxing power are pledged. The Village pledges to the payment of its obligations under Section 4.1 hereof only such amount of the Incremental Property Taxes as is set forth in Section 4.1 hereof, if, as and when received, and not otherwise.

Section 9.5. Time and Force Majeure. Time is of the essence of this Agreement; provided, however, neither the Developer nor the Village shall be deemed in Default with respect to any performance obligations under this Agreement on their respective parts to be performed if any such failure to timely perform is due in whole or in part to the following (which also constitute "unavoidable delays"): any strike, lock-out or other labor disturbance (whether legal or illegal, with respect to which the Developer, the Village and others shall have no obligations hereunder to settle other than in their sole discretion and business judgment), civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruption of power, restrictive governmental laws and regulations, condemnation, riots, insurrections, acts of terrorism, war, fuel shortages, accidents, casualties, acts of God or third parties, or any other cause beyond the reasonable control of the Developer or the Village.

Section 9.6. Waiver. Any party to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

Section 9.7. Cooperation and Further Assurances. The Village and the Developer covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the Village or the Developer or other appropriate persons all and singular the rights, property and revenues

covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

Section 9.8. Notices and Communications. All notices, demands, requests or other communications under or in respect of this Agreement shall be in writing and shall be deemed to have been given when the same are (a) deposited in the United States mail and sent by registered or certified mail, postage prepaid, return receipt requested, (b) personally delivered, (c) sent by a nationally recognized overnight courier, delivery charge prepaid or (d) transmitted by telephone facsimile, telephonically confirmed as actually received, in each case, to the Village and the Developer at their respective addresses (or at such other address as each may designate by notice to the other), as follows:

- (i) In the case of the Developer, to:
Shields Auto Center, Inc.
225 S. Meyers
Rantoul, Illinois 61866
Attn: F. Duane Shields
Tel: (217) ___ - ___ / Fax: (217) ___ - ___
- (ii) In the case of the Village, to:
Village of Rantoul, Illinois
333 S. Tanner Street
Rantoul, IL 61866
Attn: Administrative Officer
Tel: (217) 892-6801 / Fax: (217) 892-5501

Whenever any party hereto is required to deliver notices, certificates, opinions, statements or other information hereunder, such party shall do so in such number of copies as shall be reasonably specified.

Section 9.9. Assignment. The Developer agrees that it shall not sell, assign or otherwise transfer any of its rights and obligations under this Agreement without the prior written consent of the Village, except that: (i) any assignment of this Agreement as collateral, or (ii) any related sale, assignment or transfer of this Agreement in whole to a legal entity having common ownership with the Developer, may be made without the prior written consent of the Village. Except as authorized in this Section above, any assignment in whole or in part shall be void and shall, at the option of the Village, terminate this Agreement. No such sale, assignment or transfer as authorized in this Section, including any with or without the Village's prior written consent, shall be effective or binding on the Village, however, unless and until the Developer delivers to the Village a duly authorized, executed and delivered instrument which contains any such sale, assignment or transfer and the assumption of all the applicable covenants, agreements, terms and provisions of this Agreement by the applicable parties thereto.

Section 9.10. Successors in Interest. Subject to Section 9.9 above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respectively authorized successors, assigns and legal representatives (including successor Corporate Authorities).

Section 9.11. No Joint Venture, Agency, or Partnership Created. Nothing in this Agreement nor any actions of either of the Village or the Developer shall be construed by either of

the Village, the Developer or any third party to create the relationship of a partnership, agency, or joint venture between or among the Village and any party being the Developer.

Section 9.12. Illinois Law; Venue. This Agreement shall be construed and interpreted under the laws of the State of Illinois. If any action or proceeding is commenced by any party to enforce any of the provisions of this Agreement, the venue for any such action or proceeding shall be in Vermilion County, Illinois.

Section 9.13. Term. Unless earlier terminated pursuant to the terms hereof, this Agreement shall be and remain in full force and effect from and after the Effective Date and shall terminate on December 31 of the tenth (10th) calendar year following the calendar year in which a certificate of occupancy is issued for the Project; provided, however, that anything to the contrary notwithstanding, the Developer's obligations under Section 5.5 and Article VIII of this Agreement shall be and remain in full force and effect in accordance with the express provisions thereof.

Section 9.14. Construction of Agreement. This Agreement has been jointly negotiated by the parties. The parties acknowledge that each has either been represented by or has had the opportunity to consult with legal counsel and that accordingly the terms of this Agreement are not to be construed against a party because that party may have primarily assumed responsibility for preparation of this Agreement or because that party failed to understand the legal effect of any provision of this Agreement.

[This remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Village and the Developer have caused this Agreement to be executed by their duly authorized officers or manager(s) as of the date set forth below.

**VILLAGE OF RANTOUL,
CHAMPAIGN COUNTY, ILLINOIS**

By: _____
Village President

ATTEST:

By: _____
Village Clerk

Date: _____

SHIELDS AUTO CENTER, INC.

By: _____
Its President

ATTEST:

By: _____
Its Secretary

Date: _____

[Exhibit A follows this page and is an integral part of this Agreement in the context of use.]

EXHIBIT A

Description of Property

ECONOMIC INCENTIVE AGREEMENT

by and between the

**VILLAGE OF RANTOUL,
CHAMPAIGN COUNTY, ILLINOIS**

and

SHIELDS AUTO CENTER, INC.

Dated as of October 1, 2016

Document Prepared By:

**Kenneth N. Beth
Evans, Froehlich, Beth & Chamley
44 Main Street, Third Floor
Champaign, IL 61820**

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ECONOMIC INCENTIVE AGREEMENT

THIS ECONOMIC INCENTIVE AGREEMENT, including any exhibit attached hereto and made a part hereof (collectively, this **“Agreement”**) is dated for reference purposes only as of October 1, 2016, but actually executed by each of the parties on the dates set forth beneath their respective signatures below, by and between the Village of Rantoul, Champaign County, Illinois, an Illinois municipal corporation (the **“Village”**) and Shields Auto Center, Inc., an Illinois corporation (the **“Developer”**).

RECITALS

WHEREAS, in accordance with and pursuant to Section 8-11-20 of the Illinois Municipal Code (65 ILCS 5/8-11-20), as amended, including by the power and authority of the Village as a home rule unit under Section 6 of Article VII of the Constitution of the State of Illinois (collectively, the **“Act”**), the President and Board of Trustees of the Village (the **“Corporate Authorities”**) are authorized to enter into economic incentive agreements in order to encourage the development or redevelopment of land within the corporate limits of the Village; and

WHEREAS, the Developer has acquired the Property (as defined below, the **“Property”**) and proposes to undertake (or cause to be undertaken) the Project (including related and appurtenant facilities as more fully defined below, the **“Project”**); and

WHEREAS, the Developer represents that the Project requires certain economic incentives from the Village and is unwilling to undertake (or cause to be undertaken) the Project unless the Village agrees to rebate a portion of any Sales Taxes (as defined below) that are generated by the Project at the Property for a certain period of time, which the Village is willing to do; and

WHEREAS, pursuant to the Act, the President and Board of Trustees of the Village (the **“Corporate Authorities”**) have made the requisite findings with respect to the Property and the Project before entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, stipulations, and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Village and the Developer, incorporating the above Recitals, hereby agree as follows:

ARTICLE I **DEFINITIONS**

Section 1.1. Definitions. For the purposes of this Agreement and unless the context clearly requires otherwise, the capitalized words, terms and phrases used in this Agreement shall have the meanings provided above in the Recitals and from place to place herein, including as follows:

“Automobile Sales and Service Facility” means the _____ square-foot automobile sales and service facility for Ford and Chrysler products to be constructed and installed upon the Property.

“Commencement Date” means the first day of the first full month of January, May or September from and after the Opening Date.

“Department” means the Illinois Department of Revenue.

“Maximum Payment” means the amount of \$_____.

“Opening Date” means, subject to “unavoidable delays” as described in Section 9.5 of this Agreement, July 1, 2017, the latest date on which the Automobile Sales and Service Facility is to be first open to the general public for continuous commercial operation.

“Prevailing Wage Act” means the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) of the State of Illinois, the material terms of which require all contractors and subcontractors to pay all laborers, works and mechanics performing work on any “public works” (as therein defined) no less than the “prevailing rate of wages” (hourly cash wages plus fringe benefits) in the county where the work is located and to perform certain notice and recordkeeping duties.

“Project” means the acquisition, construction and installation of the Automobile Sales and Service Facility upon the Property.

“Property” means, collectively, the real estate consisting of the parcel or parcels containing approximately _____ acres which is legally described on Exhibit A hereto, upon or within which the Project is to be undertaken and completed.

“Sales Taxes” means those taxes imposed by the State of Illinois and provided to the Village pursuant to the Retailers Tax Act (35 ILCS 120/1 *et seq.*), as supplemented and amended from time to time (which under existing law is one percent (1%)), or any substitute taxes therefor as provided by the Illinois Compiled Statutes in the future, which such taxes are over and above the average of such taxes generated by the currently existing automobile sales and service facility of the Developer located at 225 S. Meyers, Rantoul, Illinois, during the three (3) calendar years of 2014, 2015 and 2016.

“Sales Tax Participation Period” means a period of ten (10) consecutive years beginning on the Commencement Date or such other period beginning on the Commencement Date and terminating on such date that the Automobile Sales and Service Facility is no longer open to the public for continuous commercial operation at the Property, whichever period is shorter.

“Sales Tax Year(s)” means the 12 consecutive month period starting on the Commencement Date and ending 12 months later, and each consecutive succeeding 12-month period thereafter during the Sales Tax Participation Period.

Section 1.2. Construction. This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- (a) definitions include both singular and plural;
 - (b) pronouns include both singular and plural and cover all genders;
 - (c) headings of sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof;
- and

- (d) all exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the Village. In order to induce the Developer to enter into this Agreement, the Village hereby makes certain representations and warranties to the Developer, as follows:

(a) The Village is a home rule municipality duly organized, validly existing and in good standing under the Constitution and laws of the State of Illinois.

(b) The Village has full power and authority to execute and deliver this Agreement and to perform all of its agreements, obligations and undertakings hereunder.

(c) The execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of the Village's Corporate Authorities. This Agreement is a legal, valid and binding obligation of the Village, enforceable against the Village in accordance with its terms, except to the extent that any and all financial obligations of the Village under this Agreement shall be limited to the availability of such Sales Taxes therefor as may be specified in this Agreement and that such enforceability may be further limited by laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforceability of debtors' or creditors' rights, and by equitable principles.

(d) Neither the execution nor the delivery of this Agreement or the performance of the Village's agreements, obligations and undertakings hereunder will conflict with, violate or result in a breach of any of the terms, conditions, or provisions of any agreement, rule, regulation, statute, ordinance, judgment, decree, or other law by which the Village may be bound.

(e) No consent or approval by any governmental authority is required in connection with the execution and delivery by the Village of this Agreement or the performance by the Village of its obligations hereunder.

Section 2.2. Representations and Warranties of the Developer. In order to induce the Village to enter into this Agreement, the Developer makes the following representations and warranties to the Village:

(a) The Developer is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois.

(b) The Developer has full power and authority to execute and deliver this Agreement and to perform all of its agreements, obligations and undertakings hereunder.

(c) The execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of the Developer's board of directors. This Agreement is a legal, valid and binding agreement, obligation and undertaking of the Developer,

enforceable against the Developer in accordance with its terms, except to the extent that such enforceability may be limited by laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforceability of debtors' or creditors' rights, and by equitable principles.

(d) Neither the execution nor the delivery or performance of this Agreement will conflict with, violate or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, or (with or without the giving of notice or the passage of time or both) entitle any party to terminate or declare a default under any contract, agreement, lease, license or instrument or any rule, regulation, statute, ordinance, judicial decision, judgment, decree or other law to which the Developer is a party or by which the Developer or any of its assets may be bound.

(e) No consent or approval by any governmental authority or by any other person or entity is required in connection with the execution and delivery by the Developer of this Agreement or the performance by the Developer of its obligations hereunder.

(f) There is no claim, action or proceeding now pending, or to the best of its knowledge, threatened, before any court, administrative or regulatory body, or governmental agency (1) to which the Developer is a party and (2) which will, or could, prevent the Developer's performance of its obligations under this Agreement.

(g) During the term of this Agreement, the Developer shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence as an Illinois corporation.

Section 2.3. Disclaimer of Warranties. The Village and the Developer acknowledge that neither has made any warranties to the other except as set forth in this Agreement. The Village hereby disclaims any and all warranties with respect to the Property, the Project and the Automobile Sales and Service Facility, express or implied, including, without limitation, any implied warranty of fitness for a particular purpose or merchantability or sufficiency of the Sales Taxes for the purposes of this Agreement. Nothing has come to the attention of the Developer to question the assumptions or conclusions or other terms and provisions of any projections of Sales Taxes, and the Developer assumes all risks in connection with the practical realization of any such projections of Sales Taxes.

ARTICLE III CONDITIONS PRECEDENT TO THE UNDERTAKINGS ON THE PART OF THE VILLAGE

Section 3.1. Conditions Precedent. The undertakings on the part of the Village as set forth in this Agreement are expressly contingent upon the Developer completing the Project and having the Automobile Sales and Service Facility open to the general public for continuous commercial operation on or before the Opening Date.

Section 3.2. Reasonable Efforts and Notice of Termination. The Developer shall use due diligence to timely satisfy the condition set forth in Section 3.1 above, but if any such condition is not so satisfied or waived by the Village, then the Village may terminate this Agreement by giving written notice thereof to the Developer. In the event of such termination, this Agreement shall be

deemed null and void and of no force or effect and neither the Village nor the Developer shall have any obligation or liability with respect thereto.

ARTICLE IV
SALES TAX DISTRIBUTIONS

Section 4.1. Amount of Sales Tax Distributions. Provided the Developer shall materially comply with and continue to be in material compliance with the provisions of this Agreement, the Village shall distribute fifty percent (50%) of the Sales Taxes generated by the Automobile Sales and Service Facility at the Property for each Sales Tax Year during the Sales Tax Participation Period to the Developer, to the extent such Sales Taxes are received by the Village from the Department (the “Sales Tax Distributions”). The total amount of Sales Tax Distributions to be distributed to the Developer by the Village shall not exceed the Maximum Payment.

Section 4.2. Making Sales Tax Distributions. For each Sales Tax Year during the Sales Tax Participation Period, the Village shall make an annual Sales Tax Distribution. The Village shall compute the Sales Taxes for each Sales Tax Year and make the annual Sales Tax Distribution in accordance with the formula set forth above in Section 4.1. The Village shall make the required annual Sales Tax Distributions within 90 days of the end of each Sales Tax Year following its computation of the Sales Taxes for each such preceding Sales Tax Year during the Sales Tax Participation Period (provided the Village shall have first received from the Department both the distribution of all Sales Taxes applicable to the Sales Tax Year in question and a corresponding report or reports disclosing the total amount of Sales Taxes generated by the Automobile Sales and Service Facility at the Property during any such Sales Tax Year), and each Sales Tax Distribution shall be accompanied by an affidavit from the Village Comptroller setting forth the determination of such Sales Tax Distribution. If, for any reason, the Department fails to distribute all of the Sales Taxes to the Village or to provide any such corresponding report or reports within 90 days after the close of any Sales Tax Year, then the Village shall use its best efforts to make the required Sales Tax Distributions immediately after it shall have received from the Department all of the Sales Taxes due the Village for such Sales Tax Year together with any such corresponding report or reports.

Section 4.3. Additional Terms and Conditions. The Sales Tax Distributions set forth herein shall be subject to the following additional terms and conditions:

(a) Such Sales Tax Distributions shall be payable solely from Sales Taxes actually received by the Village from the Department and originating from the Automobile Sales and Service Facility at the Property, and the Village shall not be obligated to pay any Sales Tax Distributions identified herein from any other fund or source.

(b) The Village shall not be required to effect any Sales Tax Distributions from any Sales Taxes generated after expiration of the Sales Tax Participation Period. The foregoing, however, shall not relieve the Village from effecting Sales Tax Distributions from Sales Taxes paid after expiration of the Sales Tax Participation Period, subject to the limitations of Section 4.1 of this Agreement, to the extent that such Sales Taxes were generated during the Sales Tax Participation Period.

Section 4.4. Required Authorizations. The Developer shall take all reasonable actions necessary to provide the Department with an authorization to release reports of sales tax information to the Village in connection with the amount of Sales Taxes generated by all taxable sales activities by the Automobile Sales and Service Facility at the Property during the Sales Tax Participation Period. The Village agrees to assist the Developer in seeking any such release and to provide such authorization and/or take such additional actions as may reasonably be required to obtain such reports of information from the Department.

Section 4.5. Treatment as Confidential Proprietary Information. The Village, to the fullest extent permitted by law, shall treat information received by it pursuant to Section 4.4 of this Agreement above as confidential proprietary business information under the Illinois Freedom of Information Act (5 ILCS 140/1 *et seq.*), and, to the extent the Village is required to disclose such information, it shall limit such disclosure, to the extent legally permissible, to the release of general taxable sales activities information.

Section 4.6. Provision in Annual Budget. The Village shall provide for payments required under this Article IV in its annual budget ordinance for the fiscal year in which such payment may be due.

Section 4.7. Limitation of Liability. Notwithstanding anything herein to the contrary by implication or otherwise, any obligations of the Village created by or arising out of this Agreement shall not be a general debt of the Village on or a charge against its general credit or taxing powers but shall be payable solely out of the Sales Taxes as set forth in this Article IV. No recourse shall be had for any payment pursuant to this Agreement against any officer, employee, attorney, or elected or appointed official, past, present, or future of the Village.

Section 4.8. Modification of Illinois law. The parties acknowledge that the agreement to distribute Sales Taxes as herein provided is predicated on existing law in the State of Illinois providing for the payment to Illinois municipalities pursuant to the Retailers Tax Act (35 ILCS 120/1 *et seq.*) of one percent (1%) of the Sales Taxes generated within each such municipality. The General Assembly of the State of Illinois, from time to time, has considered modifying or eliminating the distribution of sales tax revenues to Illinois municipalities. The parties desire to make express provision for the effect of such change on the operation of this Article IV. Accordingly, the parties agree as follows:

(a) The Village shall not, under any circumstances, be required to impose a home rule municipal sales tax or any other tax for the purpose of providing a source of funds for the Sales Tax Distributions herein contemplated.

(b) If the General Assembly hereafter eliminates the distribution of sales tax revenues to Illinois municipalities, then the Village shall have no obligation to make Sales Tax Distributions to the Developer based on the taxable sales activities generated by the Automobile Sales and Service Facility at the Property. However, in the event the Village can ascertain with specificity the amount of Sales Taxes being received by the Village as a direct result of the taxable sales activities generated by the Automobile Sales and Service Facility at the Property from the Developer's records (certified copies of which the Developer shall provide to the Village), the Village shall make the Sales Tax Distributions.

(c) If the Illinois General Assembly hereafter and during the Sales Tax Participation Period reduces the percentage of sales tax revenues distributed to Illinois municipalities, Sales Tax Distributions provided for herein shall continue but solely to the extent of Sales Taxes generated from taxable sales activities by the Automobile Sales and Service Facility at the Property, with such distribution continuing to be made in accordance with the distribution formula contained in this Article IV.

Section 4.9. Further Condition Precedent. All of the undertakings on the part of the Village pursuant to this Article IV are expressly contingent upon the Developer having completed each of the requirements contained in Section 4.4 of this Agreement, which by its terms preconditions the Village's obligation to disburse any Sales Tax Distributions to the Developer.

ARTICLE V

DEVELOPER'S COVENANTS

Section 5.1. Compliance with Agreement and Laws During Development. The Developer shall at all times acquire, construct and install the Project, including any related required improvements, in conformance with this Agreement and all applicable laws, rules and regulations, including without limitation all applicable subdivision, zoning, environmental, building code or any other land use ordinances of the Village, and, to the extent applicable, the Prevailing Wage Act. Any agreement of the Developer related to the design, construction or installation of the Project with any contractor, subcontractor or supplier shall, to the extent applicable, contain provisions substantially similar to those required of the Developer under this Agreement.

Section 5.2. Prevailing Wages. The Developer acknowledges that the Illinois Department of Labor currently takes the position as a matter of its enforcement policy sales tax rebates under this Agreement does not subject the Project to the Prevailing Wage Act unless the Project also receives funding from another public source. The Village makes no representation as to any such application of the Prevailing Wage Act to the Project, and any failure by the Developer to comply with the Prevailing Wage Act, if and to the extent subsequently found to be applicable by any legal authority having jurisdiction, shall not be deemed a "Default" under this Agreement. Notwithstanding the foregoing sentence, the Developer agrees to assume all responsibility for any such compliance (or noncompliance) with the Prevailing Wage Act in connection with the Project under this Agreement in the event of any action by any party to enforce its provisions.

Section 5.3. Village's Right to Audit Developer's Books and Records. The Developer agrees that the Village or its agents shall have the right and authority to review and audit, from time to time (at the Developer's principal office during normal business hours) the Developer's books and records relating to the total amount of all costs paid or incurred by the Developer for the Project and the total amount of related Sales Taxes, in order to confirm that any such Sales Taxes claimed to have been paid and incurred by the Developer were directly related and allocable to the Automobile Sales and Service Facility.

Section 5.4. Continuing Compliance with Laws. The Developer agrees that in the continued use, occupation, operation and maintenance of the Automobile Sales and Service Facility and the Project, the Developer will comply with all applicable federal and state laws, rules, regulations and all applicable Village Codes and other ordinances.

ARTICLE VI
DEFAULTS AND REMEDIES

Section 6.1. Events of Default. The occurrence of any one or more of the events specified in this Section 7.1 shall constitute a “Default” under this Agreement.

(a) By the Developer:

(i) The furnishing or making by or on behalf of the Developer of any statement or representation in connection with or under this Agreement that is false or misleading in any material respect;

(ii) The failure by the Developer to timely perform any term, obligation, covenant or condition contained in this Agreement;

(b) By the Village:

(i) The failure by the Village to pay any Sales Tax Distributions which become due and payable in accordance with the provisions of this Agreement; and

(ii) The failure by the Village to timely perform any other term, obligation, covenant or condition contained in this Agreement.

Section 6.2. Rights to Cure. The party claiming a Default under Section 6.1 of this Agreement (the “Non-Defaulting Party”) shall give written notice of the alleged Default to the other party (the “Defaulting Party”) specifying the Default complained of. Except as required to protect against immediate, irreparable harm, the Non-Defaulting Party may not institute proceedings or otherwise exercise any right or remedy against the Defaulting Party until thirty (30) days after having given such notice, provided that in the event a Default is of such nature that it will take more than thirty (30) days to cure or remedy, such Defaulting Party shall have an additional period of time reasonably necessary to cure or remedy such Default provided that such Defaulting Party promptly commences and diligently pursues such cure or remedy. During any such period following the giving of notice, the Non-Defaulting Party may suspend performance under this Agreement until the Non-Defaulting Party receives written assurances from the Defaulting Party, deemed reasonably adequate by the Non-Defaulting Party, that the Defaulting Party will cure or remedy the Default and remain in compliance with its obligations under this Agreement. A Default not cured or remedied or otherwise commenced and diligently pursued within thirty (30) days as provided above shall constitute a “Breach” under this Agreement. Except as otherwise expressly provided in this Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any Default or any Breach shall not operate as a waiver of any such Default, Breach or of any other rights or remedies it may have as a result of such Default or Breach.

Section 6.3. Remedies. Upon the occurrence of a Breach under this Agreement by the Developer, the Village shall have the right to terminate this Agreement by giving written notice to the Developer of such termination and the date such termination is effective. Except for such right of termination by the Village, the only other remedy available to either party upon the occurrence of a Breach under this Agreement by the Defaulting Party shall be to institute such proceedings as to damages or otherwise as may be necessary or desirable in its opinion to cure or remedy such Breach, including but not limited to proceedings to compel specific performance or other appropriate equitable relief. Notwithstanding anything herein to the contrary, the sole remedy of

the Developer upon the occurrence of a Breach by the Village under any of the terms and provisions of this Agreement shall be to institute legal action against the Village for specific performance or other appropriate equitable relief and under no circumstances shall the Village be liable to the Developer for any monetary liability (other than to be required to pay Sales Tax Distributions then due and payable under the provisions of this Agreement) or be liable for any indirect, special, consequential or punitive damages, including without limitation, loss of profits or revenues, loss of business opportunity or production, cost of capital, claims by customers, fines or penalties, whether liability is based upon contract, warranty, negligence, strict liability or otherwise, under any of the provisions, terms and conditions of this Agreement. In the event that any failure of the Village to pay any Sales Tax Distributions which become due and payable in accordance with the provisions hereof is due to insufficient Sales Tax Distributions being paid to the Village by the Department, any such failure shall not be deemed to be a Default or a Breach on the part of the Village.

Section 6.4. Costs, Expenses and Fees. Upon the occurrence of a Default or a Breach which requires either party to undertake any action to enforce any provision of this Agreement, the Defaulting Party shall pay upon demand all of the Non-Defaulting Party's charges, costs and expenses, including the reasonable fees of attorneys, agents and others, as may be paid or incurred by such Non-Defaulting Party in enforcing any of the Defaulting Party's obligations under this Agreement or in any litigation, negotiation or transaction in connection with this Agreement in which the Defaulting Party causes the Non-Defaulting Party, without the Non-Defaulting Party's fault, to become involved or concerned.

ARTICLE VII

RELEASE, DEFENSE AND INDEMNIFICATION OF VILLAGE

Section 7.1. Declaration of Invalidity. Notwithstanding anything herein to the contrary, the Village, its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable to the Developer for damages of any kind or nature whatsoever or otherwise in the event that all or any part of the Act, or any ordinance of the Village adopted in connection with either the Act or this Agreement, shall be declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the Village is prevented from performing any of the covenants and agreements herein or the Developer is prevented from enjoying the rights and privileges hereof; provided that nothing in this Section 7.1 shall limit otherwise permissible claims or actions by the Developer seeking specific performance of this Agreement or other relevant contracts, if any, in the event of a Breach of this Agreement by the Village.

Section 7.2. Damage, Injury or Death Resulting from Project. The Developer releases from and covenants and agrees that the Village and its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable for, and agrees to indemnify and hold harmless the Village, its Corporate Authorities, officials, agents, employees and independent contractors thereof against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the construction or installation of the Project, except as such may be caused by the intentional conduct, gross negligence, negligence or other acts or omissions of the Village, its Corporate Authorities, officials, agents, employees or independent contractors that are contrary to the provisions of this Agreement.

Section 7.3. Damage or Injury to Developer and Others. The Village and its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable for any damage or injury to the persons or property of the Developer or any of its officers, agents, independent contractors or employees or of any other person who may be about the Property or the Automobile Sales and Service Facility due to any act of negligence of any person, except as such may be caused by the intentional misconduct, gross negligence, or acts or omissions of the Village, its Corporate Authorities, officials, agents, employees, or independent contractors that are contrary to the provisions of this Agreement.

Section 7.4. No Personal Liability. All covenants, stipulations, promises, agreements and obligations of the Village contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Village and not of any of its Corporate Authorities, officials, agents, employees or independent contractors in their individual capacities. No member of the Corporate Authorities, officials, agents, employees or independent contractors of the Village shall be personally liable to the Developer (i) in the event of a Default or Breach by any party under this Agreement, or (ii) for the payment of any Sales Tax Distributions which may become due and payable under the terms of this Agreement.

Section 7.5. Village Not Liable for Developer Obligations. Notwithstanding anything herein to the contrary, the Village shall not be liable to the Developer for damages of any kind or nature whatsoever arising in any way from this Agreement, from any other obligation or agreement made in connection therewith or from any Default or Breach under this Agreement; provided that nothing in this Section 7.5 shall limit otherwise permissible claims or actions by the Developer seeking specific performance of this Agreement or other relevant contracts in the event of a Breach of this Agreement by the Village.

Section 7.6. Actions or Obligations of Developer. The Developer agrees to indemnify, defend and hold harmless the Village, its Corporate Authorities, officials, agents, employees and independent contractors, from and against any and all suits, claims and cost of attorneys' fees, resulting from, arising out of, or in any way connected with (i) any of the Developer's obligations under or in connection with this Agreement, (ii) the acquisition, construction or installation of the Project, (iii) the Developer's compliance with the Prevailing Wage Act applicable to the Project or any part thereof, and (iv) the negligence or willful misconduct of the Developer, its officials, agents, employees or independent contractors in connection with the management, development or operation of the Automobile Sales and Service Facility, except as such may be caused by the intentional conduct, gross negligence, negligence or breach of this Agreement by the Village, its Corporate Authorities, officials, agents, employees or independent contractors.

Section 7.7. Environmental Covenants. To the extent permitted by law, the Developer agrees to indemnify, defend, and hold harmless the Village, its Corporate Authorities, officials, agents, employees and independent contractors, from and against any and all claims, demands, costs, liabilities, damages or expenses, including attorneys' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses, arising from: (i) any release or threat of a release, actual or alleged, of any hazardous substances, upon or about the Property or respecting any products or materials previously, now or thereafter located upon, delivered to or in transit to or from the Property regardless of whether such release or threat of release or alleged release or threat of release has occurred prior to the date hereof or hereafter occurs and regardless of whether such release occurs as a result of any act, omission, negligence or misconduct of the Village or any third

party or otherwise; (ii) (A) any violation now existing (actual or alleged) of, or any other liability under or in connection with, any environmental laws relating to or affecting the Property, or (B) any now existing or hereafter arising violation, actual or alleged, or any other liability, under or in connection with, any environmental laws relating to any products or materials previously, now or hereafter located upon, delivered to or in transit to or from the Property, regardless of whether such violation or alleged violation or other liability is asserted or has occurred or arisen prior to the date hereof or hereafter is asserted or occurs or arises and regardless of whether such violation or alleged violation or other liability occurs or arises, as the result of any act, omission, negligence or misconduct of the Village or any third party or otherwise; (iii) any assertion by any third party of any claims or demands for any loss or injury arising out of, relating to or in connection with any hazardous substances on or about or allegedly on or about the Property; or (iv) any breach, falsity or failure of any of the representations, warranties, covenants and agreements of the like. For purposes of this section, "hazardous materials" includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 9601 et seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule, or regulation.

Section 7.8. Notification of Claims. Not later than thirty (30) days after the Developer becomes aware, by written or other overt communication, of any pending or threatened litigation, claim or assessment, the Developer will, if a claim in respect thereof is to be made against the Developer which affects any of the Developer's rights or obligations under this Agreement, notify the Village of such pending or threatened litigation, claim or assessment, but any omission so to notify the Village will not relieve the Developer from any liability which it may have to the Village under this Agreement.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. Entire Agreement and Amendments. This Agreement is the entire agreement between the Village and the Developer relating to the subject matter hereof. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, and may not be modified or amended except by a written instrument executed by both of the parties.

Section 8.2. Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the Village and the Developer and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation or liability of any third persons to either the Village or the Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the Village or the Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

Section 8.3. Counterparts. Any number of counterparts of this Agreement may be executed and delivered and each shall be considered an original and together they shall constitute one agreement.

Section 8.4. Special and Limited Obligation. This Agreement shall constitute a special and limited obligation of the Village according to the terms hereof. This Agreement shall never constitute a general obligation of the Village to which its credit, resources or general taxing power are pledged. The Village pledges to the payment of its obligations under Article IV hereof only such amount of the Sales Taxes as is set forth in Article IV hereof, if, as and when received, and not otherwise.

Section 8.5. Time and Force Majeure. Time is of the essence of this Agreement; provided, however, neither the Developer nor the Village shall be deemed in Default with respect to any performance obligations under this Agreement on their respective parts to be performed if any such failure to timely perform is due in whole or in part to the following (which also constitute "unavoidable delays"): any strike, lock-out or other labor disturbance (whether legal or illegal, with respect to which the Developer, the Village and others shall have no obligations hereunder to settle other than in their sole discretion and business judgment), civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruption of power, restrictive governmental laws and regulations, condemnation, riots, insurrections, acts of terrorism, war, fuel shortages, accidents, casualties, acts of God or third parties, or any other cause beyond the reasonable control of the Developer or the Village.

Section 8.6. Waiver. Any party to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

Section 8.7. Cooperation and Further Assurances. The Village and the Developer covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the Village or the Developer or other appropriate persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

Section 8.8. Notices and Communications. All notices, demands, requests or other communications under or in respect of this Agreement shall be in writing and shall be deemed to have been given when the same are (a) deposited in the United States mail and sent by registered or certified mail, postage prepaid, return receipt requested, (b) personally delivered, (c) sent by a nationally recognized overnight courier, delivery charge prepaid or (d) transmitted by telephone facsimile, telephonically confirmed as actually received, in each case, to the Village and the Developer at their respective addresses (or at such other address as each may designate by notice to the other), as follows:

- (i) In the case of the Developer, to:
Shields Auto Center, Inc.
225 S. Meyers
Rantoul, Illinois 61866

Attn: F. Duane Shields
Tel: (217) ___ - ___ / Fax: (217) ___ - ___

- (ii) In the case of the Village, to:
Village of Rantoul, Illinois
333 S. Tanner Street
Rantoul, IL 61866
Attn: Administrative Officer
Tel: (217) 892-6801 / Fax: (217) 892-5501

Whenever any party hereto is required to deliver notices, certificates, opinions, statements or other information hereunder, such party shall do so in such number of copies as shall be reasonably specified.

Section 8.9. Assignment. The Developer agrees that it shall not sell, assign or otherwise transfer any of its rights and obligations under this Agreement without the prior written consent of the Village, except that any related sale, assignment or transfer of this Agreement in whole to a legal entity having common ownership with the Developer may be made without the prior written consent of the Village. Except as authorized in this Section above, any assignment in whole or in part shall be void and shall, at the option of the Village, terminate this Agreement. No such sale, assignment or transfer as authorized in this Section, including any with or without the Village's prior written consent, shall be effective or binding on the Village, however, unless and until the Developer delivers to the Village a duly authorized, executed and delivered instrument which contains any such sale, assignment or transfer and the assumption of all the applicable covenants, agreements, terms and provisions of this Agreement by the applicable parties thereto.

Section 8.10. Successors in Interest. Subject to Section 8.9 above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respectively authorized successors, assigns and legal representatives (including successor Corporate Authorities).

Section 8.11. No Joint Venture, Agency, or Partnership Created. Nothing in this Agreement nor any actions of either of the Village or the Developer shall be construed by either of the Village, the Developer or any third party to create the relationship of a partnership, agency, or joint venture between or among the Village and any party being the Developer.

Section 8.12. Illinois Law; Venue. This Agreement shall be construed and interpreted under the laws of the State of Illinois. If any action or proceeding is commenced by any party to enforce any of the provisions of this Agreement, the venue for any such action or proceeding shall be in Champaign County, Illinois.

Section 8.13. Term. Once the Village has made all of the Sales Tax Distributions as required hereunder, this Agreement shall become null and void and be of no further force or effect; provided, however, that anything to the contrary notwithstanding, the Developer's obligations under Article VII of this Agreement shall be and remain in full force and effect in accordance with the express provisions thereof. If the Village has made all of the Sales Tax Distributions to the Developer required by this Agreement, pursuant to and in compliance with the terms of this Agreement, but the Developer has not received the Maximum Payment, then any obligation on the

part of the Village to pay any portion of the Maximum Payment outstanding shall be deemed cancelled and nullified.

Section 8.14. Construction of Agreement. This Agreement has been jointly negotiated by the parties. The parties acknowledge that each has either been represented by or has had the opportunity to consult with legal counsel and that accordingly the terms of this Agreement are not to be construed against a party because that party may have primarily assumed responsibility for preparation of this Agreement or because that party failed to understand the legal effect of any provision of this Agreement.

IN WITNESS WHEREOF, the Village and the Developer have caused this Economic Incentive Agreement to be executed by their duly authorized officers as of the date set forth below.

**VILLAGE OF RANTOUL,
CHAMPAIGN COUNTY, ILLINOIS**

(SEAL)

By: _____
Village President

Attest:

Village Clerk

Date: _____

SHIELDS AUTO CENTER, INC.

By: _____
Its President

Attest:

Its Secretary

Date: _____

EXHIBIT A
Legal Description