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SANGAMON COUNTY  
ILLINOIS

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PATTY

MARY ANN LAMM  
SANGAMON COUNTY RECORDER

*This space for Recorder of Deeds*

**MEMORANDUM OF CONTRACT AFFECTING REAL PROPERTY**

Please Take Notice that on JANUARY 11, 2005, JOHN and JULIE REYNOLDS entered into a contract with the VILLAGE OF CHATHAM, ILLINOIS, an Illinois Municipal Corporation, entitled "Redevelopment Agreement for Private Redevelopment between the Village of Chatham and John and Julie Reynolds". The contract contains covenants that affect the real property legally described as set forth hereto. The contract provided by its terms that a memorandum thereof would be filed with the Recorder of Deeds of Sangamon County, Illinois.

Dated this 11<sup>th</sup> day of JANUARY, 2005.

VILLAGE OF CHATHAM, ILLINOIS

By: Thomas S Gray

REDEVELOPERS

John Reynolds  
John Reynolds  
Julie Reynolds  
Julie Reynolds

**AGREEMENT FOR PRIVATE REDEVELOPMENT BETWEEN  
THE VILLAGE OF CHATHAM  
AND JOHN AND JULIE REYNOLDS**

THIS AGREEMENT is entered into on this 11 day of JANUARY, 2005 by and between the VILLAGE OF CHATHAM, ILLINOIS, a municipal corporation (hereinafter referred to as "Village"), and JOHN and JULIE REYNOLDS, (hereinafter referred to as "Redevelopers").

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., ( the "Act"), the Village adopted the Village of Chatham Tax Increment Redevelopment Project Area and Redevelopment Plan and Project dated November 24, 1992 (the "Redevelopment Plan").

WHEREAS, the Redevelopment Plan includes an area referred to therein as the "Redevelopment Project Area"; and

WHEREAS, Redevelopers are the record owner of Lot 3, Chatham Business Park and 33 X 254.36 in E1/2 NE1/4 S12 t 14N R 6W (Williams Lane, Chatham, Illinois) hereto (the "Property"), and the Property is within the Redevelopment Project Area; and

WHEREAS, Redevelopers, after first consulting with the Village regarding the Tax Increment Financing Program, will construct a facility for CTI Central Illinois, Inc. (hereinafter referred to as the "Redevelopment Project"), which project is located upon the Property; and

WHEREAS, in connection with the Redevelopment Project, the Redevelopers

have incurred certain project costs totaling \$90,022 which are eligible for reimbursement under Section 11.74-4-3 of the Illinois Municipal Code; (the "Eligible Project Costs"); these costs are detailed in Exhibit "A" hereto; and

WHEREAS, but for reimbursement by the Village of such costs, Redevelopers would not be able to complete the Redevelopment Project, since the proposed redevelopment would not be financially feasible nor yield to Redevelopers a reasonable return on their investment of time, money and material; and

WHEREAS, the Redevelopment Project is consistent with the Redevelopment Plan; and

WHEREAS, in view of financial projections presented to the Village by the Redevelopers, it does not appear that the redevelopment would occur without Village's assistance from its Tax Increment Financing Program; and

WHEREAS, the Village believes that the completion of the Redevelopment Project pursuant to the plan is in the vital and best interests of the Village and the health, safety, morals and welfare of the residents of the Village of Chatham and it is in accord with public purposes, the Act, and any other applicable provisions of federal, state and local laws;

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises, covenants and conditions set forth herein, the parties hereto hereby agree as follows:

1. The preambles and premises set forth above are an integral part of this agreement and are hereby incorporated into and made a part of this agreement. During the term of this agreement, the Village shall reimburse Redevelopers for Eligible Project Costs as follows. Annually, after making payment of real estate taxes due on the Property to the Chatham Township and/or Sangamon County collectors, Redevelopers shall make application for reimbursement in accordance with paragraph 7 below. If such application for reimbursement is not made by Redevelopers to the Village by March 31 of year immediately following the year in which the real estate taxes on the Property were due and payable, Redevelopers forfeit the reimbursement for that year.

2. The Village shall calculate a sum known as the Tax Increment. The Tax Increment is equal to the annual real estate taxes for the Property, minus the sum of \$111, which was the tax on the property (tax parcel index numbers 28-12.0-277-024 and 28-12.0-277-026) for 2003 taxes payable in 2004 (detailed in Exhibit "B" hereto). Annually, the Village shall pay Redevelopers a sum equal to one-half of the Tax Increment or a *pro rata* portion of the Tax Increment calculated in accordance with paragraph 3, whichever is less. Payment shall be made in any year within 30 days after the date that the Village receives the second installment of real estate taxes from the Sangamon County Treasurer, or 30 days after application for reimbursement is received by the Village from the Redevelopers, whichever is later. Payments shall be made annually until the entire amount of the approved Eligible Project Costs is paid.

3. Redevelopers recognize that the Village has entered into and will enter into redevelopment agreements with other developers for property within the Redevelopment Project Area. Redevelopers also recognize that the Village has issued bonds and has borrowed money from other Village funds in order to fund infrastructure and other improvements within the Redevelopment Project Area; that principal and interest payments for such bonds and inter-fund borrowing are secured by or pledged from tax increment revenues; that such bonds issued prior to the execution of this agreement provide that security for the bond payments are superior to all other obligations of the Village with respect to tax increment revenues; and that it may be necessary to repay money previously borrowed from other Village funds prior to payment of obligations accrued under private redevelopment agreements. Redevelopers also recognize that the Village may be required to issue additional bonds, borrow additional money from other Village funds or enter into some other financing arrangement in order to fund infrastructure and other improvements within the Redevelopment Project Area. Accordingly, Redevelopers agree that in the event that, after payment (or sequestration of funds for payment) of obligations pursuant to any aforementioned bond issues, repayments of any aforementioned inter-fund borrowings or payments for any other aforementioned financing arrangements, there are insufficient revenues in the Village's Tax Increment Allocation Fund for the Village to pay all sums due to all persons who have entered or may enter into redevelopment agreements with the Village, then the

Village may make *pro rata* payments to the Redevelopers and all other such persons of remaining funds available for disbursement in the Tax Increment Allocation Fund.

Payment to Redevelopers shall be made in the proportion of available funds that the Tax Increment bears to the sum of all tax increments for all properties in the Redevelopment Project Area that are subject to redevelopment agreements. The Village may schedule and make inter-fund obligation repayments in its sole discretion.

4. In the event the Village allocates funds in the Tax Increment Allocation Funds *pro rata* among developers in accordance with paragraph 3, the Village shall calculate for each tax year an amount still due to the Redevelopers and each other developer. Unpaid amounts due Redeveloper and other developers shall be paid in subsequent years when there are sufficient funds on hand after payment of all other obligations. Payments will be made by tax year, with the oldest obligations being paid first. If for any tax year there are sums on hand sufficient to pay some, but not all amounts due to all developers, the Village shall allocate funds on hand *pro rata* according to the same formula as set forth in paragraph 3. The Village will continue to carry forward all unpaid obligations until the termination of its tax increment financing program. The Village shall not voluntarily terminate its tax increment financing program prior to November 22, 2015, which is 23 years after the effective date of Ordinance No. 92-47; or for so long as eligible project costs due and payment to the Redeveloper under this agreement remain outstanding and payable, whichever is sooner. However, if the

Village's tax increment financing program is involuntarily terminated or expires by its terms, the Village shall have no further obligations under this agreement.

5. The total to be paid to Redevelopers under this agreement shall not exceed the sums set forth in Exhibit "A". There shall be no obligation to reimburse the Redeveloper for any Eligible Project Costs in excess of this amount. Redeveloper shall in no event be reimbursed in excess of any project costs actually incurred and paid by Redeveloper.

6. Reimbursements to Redevelopers are subject to the following additional conditions:

A. Any reimbursement for interest costs is subject to the limitations set forth in 65 ILCS 5/11-74.4-3(q)(11) as of the date of this agreement or as subsequently amended.

B. Redevelopers recognize that tax increment financing is subject to statutory and regulatory changes beyond the control of the Village. In the event that the reimbursable project costs to be paid to the Redevelopers under this agreement are deemed ineligible for payment by law, the Village shall be relieved of any obligation to make any such reimbursements. Any such determination of ineligibility or with respect to any proposed payment shall not relieve or modify the obligation of the Village to make remaining payments due to Redevelopers under this agreement unless such remaining payments are likewise determined to be ineligible payments.

7. The following procedures shall govern applications for reimbursement.

A. Redevelopers shall submit to the Village Treasurer a written request for payment setting forth specific Eligible Project Costs (Exhibit "A") for which payment or reimbursement is sought. This request for payment or reimbursement shall be accompanied by such contracts, invoices, engineering or architectural estimates, architects' certifications, contractors' sworn statements, lien waivers or other such evidence as the Village shall reasonably require to evidence Redevelopers' right to payment or repayment for eligible costs pursuant to this agreement.

B. The Village Treasurer shall recommend approval or disapproval of the payment request to the President and Board of Trustees for Board action at the first regular meeting of the Board occurring not less than thirty (30) calendar days from receipt of the request for payment.

C. In the event the Village Treasurer recommends disapproval of the request or any portion thereof, the Village Treasurer shall promptly communicate such recommendation to Redevelopers by specifying the error or disagreement and requesting appropriate correction or modification.

D. The Village reserves the right to examine Redevelopers' records at any time relating to all project costs, and to obtain from such consultants or experts as the Village determines to be appropriate, other information as may be necessary for the Village to evaluate Redevelopers compliance with the terms of this agreement.

8. Redevelopers warrant that they have the power to execute, enter into and



perform all covenants, conditions and obligations contained in this agreement, and Redevelopers further covenant that they are the owners in fee simple of the Property, and that the Property is not subject to any lien or encumbrance except for a real estate mortgage by Redevelopers with Carrollton Bank.

9. The funds advanced to Redevelopers under this agreement shall be used solely for reimbursement for the project costs itemized in Exhibit "A", and Redevelopers shall, within 60 days of a written request from the Village, furnish to the Village a certified audit showing that the project costs for which Redevelopers seek reimbursement have in fact been incurred and paid by Redevelopers prior to the receipt of any reimbursement by Redevelopers under this agreement.

10. Redevelopers' right to receive any payment under this agreement shall be assignable at the discretion of Redevelopers, subject only to the following conditions:

A. Any assignment may be made only after the improvements to the Property contemplated by this Agreement are completed and paid in full.

B. Any assignment shall be in writing, shall be provided to the Village, shall be recorded with the Recorder of Deeds of Sangamon County, and shall contain the following provision:

Assignee agrees that this Assignment is subject in all respects to the terms and conditions of a certain Redevelopment Agreement between Assignor and the Village of Chatham dated 1-11-2005. That Redevelopment Agreement provides, among other things, that the Village of Chatham is under no obligation to make any payment pursuant to the Redevelopment Agreement unless application for such payment is made in accordance with the Redevelopment Agreement; and that the Village of Chatham's

obligations thereunder may be subordinate to certain bond issues and obligations to other redevelopers, as set forth therein.

11. This agreement shall in no way make Redevelopers and the Village partners, joint venturers, or in any way obligate the Village for any obligations of Redevelopers to any third party.

12. The terms, conditions, covenants and obligations of this agreement shall run with the Property, and shall be binding on and shall inure to the benefit of the successors, heirs and assigns of the parties. Redevelopers shall record a memorandum or notice of the existence of this agreement with the Recorder of Deeds, Sangamon County, Illinois, in substantially the form set forth in Exhibit "C" hereto.

13. Redevelopers have already submitted or shall submit to the Village for review, all development plans for structures and improvements located on the Property for the purpose of determining compliance with applicable laws, statutes, ordinances, rules and regulations, including but not limited to zoning and building code regulations, parking requirements and related matters.

14. Redevelopers shall pay and keep current all taxes and all Village fees in the nature of utility charges, permit fees and the like, that may from time to time apply to the Property. The Village may deduct any such charges which are past due from payments to Redevelopers under this agreement, provided, however, Redevelopers may after giving notice to the Village and after posting bond or other security satisfactory to the Village in its reasonable judgment, at its own expense, contest in good faith such taxes or fees, in

which event it may permit such taxes or fees to remain unpaid during the period of such contest and any appeal therefrom.

15. Redevelopers shall, at the request of the Village, furnish the following, all to be satisfactory in both form and substance, to the Village:

A. Organization documents and filings for the Redevelopers if appropriate, and all resolutions necessary to effect the obligations of the Redevelopers pursuant to this agreement.

B. Firm commitments for financing necessary to complete construction of the Redevelopment Project from sources and in the form acceptable to the Village, or a demonstration of financial capability sufficient to complete the work.

C. Evidence, in a form and manner acceptable to the Village, that the Redevelopers have acquired fee simple title to the Property.

D. Internal Revenue Service taxpayer identification numbers, or social security numbers, as the case may be, for Redeveloper.

E. Such other documents, resolutions and other items reasonably required by the Village, its legal counsel and or bond counsel.

F. Opinion of independent counsel for Redevelopers, reasonable in form and content, regarding the completeness and accuracy of the representations of Redevelopers.

G. Current financial statements of Redevelopers which set forth Redevelopers ability to financially proceed with Redevelopers' obligations under this agreement.

H. Such individual guarantees of performance as are deemed necessary by the Village to ensure Redevelopers' performance of the covenants, promises and conditions contained in this agreement.

16. Redevelopers shall comply with all applicable statutes of the State of Illinois and ordinances of the Village of Chatham with respect to construction of the improvements to be placed upon the Property, and all contracts for work in connection with the construction of said improvements shall be in compliance with applicable statutes and ordinances.

17. Redevelopers agree to indemnify and save the Village and its officers and employees harmless against all claims by or on behalf of any third party with respect to the Property or business operations carried on in or with respect to the Property, including any costs and expenses, and attorneys fees, incurred by the Village in any litigation brought by a third party.

18. The following shall constitute events of default with respect to this agreement:

A. Any material representation made by Redevelopers in this agreement, or in any certificate, notice, demand or request made by Redevelopers in writing and delivered to the Village, which misrepresentation is not cured within 30 days of demand by the Village;

B. Material failure to perform any covenant, warranty or obligation contained

in this agreement, which is not cured within 30 days of demand by the non-breaching party;

C. The entry of a decree of foreclosure or the placement of a mortgagee in possession with respect to the Property;

D. The commencement of bankruptcy proceedings by or against a party;

19. In event of breach by a party, the other party may at its option (1) terminate this agreement by delivering a written notice of termination to the breaching party; or (2) bring an action for specific performance; or (3) if the non-breaching party is the Village, bring an action for damages, limited, however, to the total amounts paid by the Village to Redevelopers prior to the breach. In no event shall the Village be liable for damages to Redevelopers for breach of contract or otherwise. No waiver by a party hereto of a default by the other party shall be deemed a waiver of the rights of the waiving party with respect to any other defaults by the other party.

20. Redevelopers certify that during the site preparation and completion of the Redevelopment Project, he complied with the following:

A. He did not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, age or national origin. Redevelopers took necessary action to ensure that applicants were employed and treated during employment without regard to race, color, religion, sex, age or national origin, including but not limited to employment, upgrading, demotion, transfer, recruitment, recruitment

advertising, layoff, termination, rates of pay and other forms of compensation and selection for training, including apprenticeship. Such action included but was not limited to the following: Employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

B. He did and will during the term of this agreement, in all solicitations or advertisements for employees placed by or on behalf of Redevelopers state that all qualified applicants would receive consideration for employment without regard to race, color, religion, sex, age or national origin.

C. He included or shall include, where required by law, the provisions of subsections A and B of this section in every contract or purchase order and shall require the inclusion of these provisions in every subcontract entered into by any of his contractors, unless exempted by law, rules or regulations, so that such provisions will be binding upon each contractor, subcontractor or vendor, as the case may be.

21. All notices and demands herein required or given hereunder shall be in writing. The mailing of such notice or demand to the Village or to Redevelopers at their respective addresses hereinafter set forth shall be considered sufficient service thereof.

Village of Chatham  
Municipal Building  
116 East Mulberry  
Chatham, Illinois 62629

John and Julie Reynolds  
CTI Central Illinois, Inc.  
1505 Redwood Drive  
Chatham, Illinois 62629

22. This agreement is the entire agreement of the parties with respect to its subject matter. All prior agreements and understandings are expressly disclaimed. This agreement may be amended only in writing signed by all the parties and approved by ordinance of the Village.

23. If all or part of any section of this agreement shall be ruled invalid by a court of law, the agreement shall nevertheless be carried out in all other respects as fully as possible, and all other provisions shall remain in full force and effect insofar as possible. If any part of the redevelopment costs scheduled herein to be reimbursed to Redevelopers are ruled to be ineligible, the Village shall nevertheless pay the remaining eligible project costs to Redevelopers under the terms and conditions of this agreement.

24. The provisions of the Act are herein incorporated by reference. In the event that any provision in this agreement conflicts with the Act, the Act shall control.

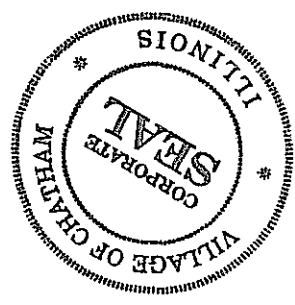
25. The duty of the Village to make any payment required under this agreement shall be suspended for any period during which the building located upon the Property ceases to be occupied by Redeveloper, or by a lessee of Redeveloper which is engaged in a retail or service business, for a period of six consecutive months. Redevelopers agree to notify the Village whenever this condition occurs and whenever this condition abates. Payments due to Redevelopers for any such period shall be retained by the Village, but nothing in this paragraph shall prevent Redevelopers from recouping available project costs in later periods or in later years up to the full extent permitted by this agreement.

**VILLAGE OF CHATHAM, ILLINOIS**

By: Thomas Gray 1/11/05  
Thomas Gray, Village President Date

ATTEST:

Patrick Schad  
Patrick Schad, Village Clerk



**REDEVELOPERS**

John Reynolds  
John Reynolds

1/11/05  
Date

Julie Reynolds  
Julie Reynolds

1/11/05  
Date



Exhibit A

Eligible Project Costs

1.	Cost of Development of Plans and Specifications.	\$ 3,068
2.	Property Assembly Costs, including Land Acquisition	<u>86,954</u>
	Total Eligible Project Costs	\$ <u>90,022</u>

**Exhibit B**

**Base Year Tax on Tax Parcel Nos. 28-12.0-277-024 and 28-12.0-277-026**

The Redevelopment Project property is coterminous with Tax Parcel Nos. 28-12.0-277-024 and 28-12.0-277-026 for 2003 taxes payable in 2004.

**2003 Assessed Equalized Valuation  
for No. 28-12.0-277-024 and  
No. 28-12.0-277-026**

Land	\$ 1,449
Improvements	<u>0</u>
Total AEV	\$ 1,449
2003-2004 Tax Rate	<u>.0767</u>
<b>Base Taxes</b>	<b><u>\$ 111</u></b>

**Exhibit C**

**Notice of Agreement to be filed with Recorder of Deeds**

Ordinance No. 05- 01

**AN ORDINANCE APPROVING AN AGREEMENT FOR PRIVATE REDEVELOPMENT WITH JOHN AND JULIE REYNOLDS**

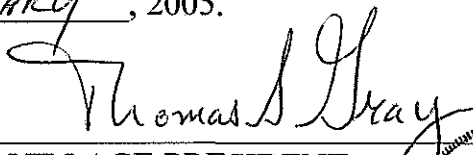
*BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, AS FOLLOWS:*

**SECTION 1:** That a certain Agreement for Private Redevelopment between the Village of Chatham and John and Julie Reynolds, a copy of which is attached hereto, is hereby approved.

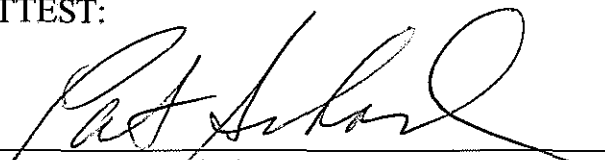
**SECTION 2:** The Village President is hereby authorized to execute the redevelopment agreement, and thereafter, the proper officers and employees of the Village are authorized and directed to carry out the agreement according to its terms.

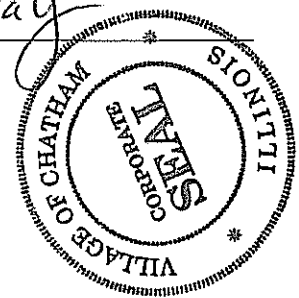
**SECTION 3:** This Ordinance is effective immediately.

PASSED this 11 day of JANUARY, 2005.

  
VILLAGE PRESIDENT

ATTEST:

  
Village Clerk



AYES: 5 HERR, McADAMS, BOYLE, Mc CARTHY, Mc RATH  
NAYS: 0

PASSED: 1-11-05  
APPROVED: 1-11-05  
ABSENT: 1 KAUNAGH

**ORDINANCE CERTIFICATE**

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF SANGAMON        )

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

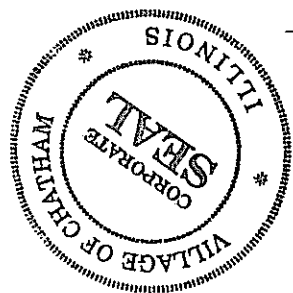
I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 05- 01, adopted by the President and Board of Trustees of said Village on the 11 day of JANUARY, 2005, said Ordinance being entitled:

**AN ORDINANCE APPROVING AN AGREEMENT FOR PRIVATE REDEVELOPMENT WITH JOHN AND JULIE REYNOLDS**

I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 11 day of JANUARY, 2005.

  
\_\_\_\_\_  
Village Clerk



PAT SCHAAD  
836 OXFORD  
CHATHAM, IL 62629

