

**AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN
INTERGOVERNMENTAL
JURISDICTIONAL BOUNDARY LINE AGREEMENT WITH THE
VILLAGE OF HAWTHORN WOODS**

WHEREAS, the Village of North Barrington ("North Barrington") and the Village of Hawthorn Woods ("Hawthorn Woods") are units of local government as defined by Article VII, Section 1 of the Constitution of the State of Illinois of 1970; and

WHEREAS, units of local government are enabled by Article VII, Section 10 of the Constitution of the State of Illinois of 1970 to enter into agreements among themselves to obtain or share services and to exercise, combine or transfer any power or function in any manner not prohibited by law or ordinance; and,

WHEREAS, 65 ILCS 5/11-12-9, as amended, provides that if unincorporated territory is within one and one-half (1-1/2) miles of two (2) or more municipalities that have adopted official comprehensive plans, the corporate authorities involved may agree upon a line which shall mark the boundaries of the jurisdiction of each of the corporate authorities who have adopted such agreements; and,

WHEREAS, Hawthorn Woods and North Barrington have each adopted such official comprehensive plans and have negotiated the terms of an Intergovernmental Jurisdictional Boundary Line Agreement, a copy of which is attached hereto as Exhibit "A" and is, by this reference, incorporated herein (the "Agreement"); and,

WHEREAS, North Barrington desires to enter into said Agreement as an exercise of its intergovernmental cooperation authority under the Constitution of Illinois, and its authority to enter into jurisdictional boundary agreements pursuant to 65 ILCS 5/11-12-9 as amended.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of North Barrington, Lake County, Illinois, as follows:

SECTION ONE: That the recitals set forth hereinabove are incorporated herein by reference as substantive provisions of this Ordinance.

SECTION TWO: That the Intergovernmental Jurisdictional Boundary Line Agreement by and between the Village of Hawthorn Woods and the Village of North Barrington, a copy of which has previously been incorporated herein as Exhibit "A" is hereby approved and the President and Village Clerk are hereby authorized to execute said Agreement on the behalf of this Village.

SECTION THREE: A certified copy of this Ordinance, along with a fully executed copy of the Agreement, shall be recorded with the Lake County Recorder of Deeds and shall be made available in the office of the Village Clerk.

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

SECTION FIVE: This Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

Passed this 8th day of April, 1999 by roll call vote as follows:

	<u>Ayes</u>	<u>Nays</u>	<u>Absent</u>	<u>Abstain</u>
Trustee Edmund Peter Boland	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Trustee Colin Lafferty	<u> </u>	<u> </u>	<u>X</u>	<u> </u>
Trustee Scott Payne	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Trustee John B. Schnure	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Trustee Linda Starkey	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Trustee Lawrence J. Weiner	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
President George E. Larrain	<u>X</u>	<u> </u>	<u> </u>	<u> </u>

APPROVED THIS 8TH DAY OF APRIL, 1999:

George E. Larrain
President George E. Larrain

(SEAL)

ATTEST: Phyllis R. Keith
Village Clerk Phyllis R. Keith

Published: April 8, 1999

By: Judy James
Deputy Village Clerk

Final 4/8/99

INTERGOVERNMENTAL JURISDICTIONAL BOUNDARY LINE AGREEMENT

THIS AGREEMENT, made and entered into this 8th day of April, 1999, by and between the VILLAGE OF HAWTHORN WOODS, Lake County, Illinois ("HAWTHORN WOODS") and the VILLAGE OF NORTH BARRINGTON, Lake County, Illinois ("NORTH BARRINGTON");

WITNESSETH:

WHEREAS, HAWTHORN WOODS and NORTH BARRINGTON are "units of local government" as defined by Article VII, Section 1, of the Constitution of the State of Illinois of 1970; and,

WHEREAS, units of local government are enabled by Article VII, Section 10 of the Constitution of the State of Illinois of 1970 to "contract or otherwise associate among themselves . . . to obtain or share services and to exercise, combine, or transfer any power of function, in any manner not prohibited by law or by ordinance."; and,

WHEREAS, 5 ILCS 220/3 provides in applicable part:

"220/3. Intergovernmental agreements

§ 3. Intergovernmental agreements. Any power or powers, privileges or authority exercised or which may be exercised by a public agency of this State may be exercised and enjoyed jointly with any other public agency of this State and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States do not prohibit joint exercise or enjoyment."

WHEREAS, 65 ILCS 5/11-12-5 et seq., permits municipalities to adopt a comprehensive plan for the present and future development of the municipality. A comprehensive plan may be made applicable, by its terms, to land situated within the municipality's corporate limits and contiguous territory not more than one and one-half (1-

1/2) miles beyond the corporate limits and not included in any other municipality. In addition to establishing reasonable standards of design for subdivisions, such comprehensive plan may designate land suitable for annexation to the municipality and the recommended zoning classification for such land upon annexation; and

WHEREAS, HAWTHORN WOODS AND NORTH BARRINGTON have each adopted an official comprehensive plan pursuant to 65 ILCS 5/11-12-5 et seq., said comprehensive plans being incorporated herein by reference; and,

WHEREAS 65 ILCS 5/11-12-9, provides that if unincorporated territory is within one and one-half (1-1/2) miles of two (2) or more municipalities that have adopted official comprehensive plans, the corporate authorities of such municipalities may agree upon a line which shall mark the boundaries of the jurisdiction of each of the municipalities who have adopted such agreement; and,

WHEREAS, HAWTHORN WOODS and NORTH BARRINGTON recognize that the land lying between their present municipal boundaries is an area which presents challenges related to open space preservation, flood control, population density, joint operation of public facilities, ecological and economic impact, and multi-purpose developments; and,

WHEREAS, HAWTHORN WOODS and NORTH BARRINGTON and their respective citizens are vitally affected by said challenges and have by this Agreement determined that by undertaking certain joint action, the public health, safety and welfare of the inhabitants of said municipalities will be benefitted; and,

WHEREAS, both HAWTHORN WOODS and NORTH BARRINGTON acknowledge that it is not in their respective best interests to engage in disputes with respect to the annexation of territory; and,

WHEREAS, HAWTHORN WOODS and NORTH BARRINGTON recognize the need and desirability to provide for logical future municipal boundaries and areas of municipal authority between their respective municipalities in order to plan effectively and efficiently for growth management and potential development between their communities and the conservation of the available resources for all of their respective citizens; and,

WHEREAS, in arriving at this Agreement, HAWTHORN WOODS and NORTH BARRINGTON have given consideration to the natural flow of stormwater drainage and, when practical, have included all of a single tract of land having common ownership within the jurisdiction of only one village; and,

WHEREAS, HAWTHORN WOODS and NORTH BARRINGTON have authorized, by ordinance, the execution of this Agreement as an exercise of their intergovernmental cooperation authority under the Constitution of Illinois, and their authority to enter into jurisdictional boundary agreements pursuant to 65 ILCS 5/11-12-9:

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter contained, the adequacy and sufficiency of which the parties hereto stipulate, HAWTHORN WOODS and NORTH BARRINGTON agree as follows:

SECTION ONE: INCORPORATION OF RECITALS: The recitals set forth hereinabove are incorporated herein by reference as substantive provisions of this Agreement.

SECTION TWO: JURISDICTIONAL BOUNDARY LINE: The boundary line between HAWTHORN WOODS and NORTH BARRINGTON for the purpose of establishing their respective jurisdictions for land use planning, official map purposes, subdivision control and annexation of unincorporated territory, all as hereinafter provided shall be the easterly right of way of U.S. Route 12 (also known as Rand Road) commencing at the center of Section 7, Township 43 North, Range 10, East of the Third Principal Meridian, Lake County, Illinois, thence east along the north line of the southeast quarter of said Section 7 to the east right of way line of U.S. Route 12, thence south along said right of way line 668.7 feet to the point of beginning, thence north on said easterly right of way line up to the intersection of said easterly right of way line of U. S. Route 12 with the southerly right of way line of Old McHenry Road, thence westerly on the westerly prolongation of said southerly right of way line of Old McHenry Road to the westerly right of way line of U.S. Route 12 thence northerly and northwesterly on said westerly right of way line of U. S. Route 12, to its intersection with the west line of Section 36, Township 44 North, Range 9, East of the Third Principal Meridian, Lake County, Illinois, (said line

hereinafter referred to as the "Boundary Line"), as depicted on the map which is attached hereto as Exhibit A and made a part hereof (the "Jurisdictional Boundary Line Map"). That portion of the unincorporated territory easterly and northerly of the Boundary Line as more fully marked and depicted on the Jurisdictional Boundary Line Map as the "Hawthorn Woods Jurisdictional Area" shall be, for the purpose of this Agreement the HAWTHORN WOODS Jurisdictional Area and that portion of the unincorporated territory westerly and southerly of the Boundary Line as more fully marked and depicted on the Jurisdictional Boundary Line Map as the "North Barrington Jurisdictional Area" shall be, for the purpose of the Agreement the NORTH BARRINGTON Jurisdictional Area.

SECTION THREE: EXERCISE OF AUTHORITY: Except as otherwise provided in this Agreement HAWTHORN WOODS agrees that it shall not exercise or attempt to exercise or enforce any subdivision control, comprehensive plan or official map jurisdiction within the NORTH BARRINGTON Jurisdictional Area.

Except as otherwise provided in this Agreement NORTH BARRINGTON agrees that it shall not exercise or attempt to exercise or enforce any subdivision control, comprehensive plan or official map jurisdiction within the HAWTHORN WOODS Jurisdictional Area.

SECTION FOUR: SUBDIVISION CONTROL: In the event that either Village's subdivision control authority cannot be exercised in its Jurisdictional Area as established by this Agreement because that Village is not located within one and one-half (1-1/2) miles of a proposed subdivision, and if the other Village is located within one and one-half (1-1/2) miles of said proposed subdivision, then, in that event, each Village hereby transfers its subdivision control authority to the other Village pursuant to Section 10, Article VII of the Constitution of Illinois of 1970, in order that subdivision control can be effected within the Jurisdictional Area of the appropriate Village as defined herein. In the event that any court of law shall find that the transfer of subdivision control power between units of local government is prohibited by law, then, if either Village cannot exercise its subdivision control within its Jurisdictional Area because it is not located within one and one-half (1-

1/2) miles of said subdivision, then the other Village shall exercise its own subdivision control notwithstanding the Boundary Line established by this Agreement.

SECTION FIVE: STATUTORY ZONING OBJECTIONS: This Agreement shall not be construed so as to limit or adversely affect the right of either Village to file a statutory objection to proposed rezonings as to the unincorporated territory which is within one and one-half (1-1/2) miles of its corporate limits.

SECTION SIX: ANNEXATION: The Boundary Line established pursuant to this Agreement was carefully studied and considered with respect to those matters heretofore set out in the recitals to this Agreement. Therefore, each Village agrees not to annex any territory which is located in the other Village's Jurisdictional Area. In addition, each Village agrees to take all necessary action to oppose any involuntary or court-initiated annexation proceedings which propose to annex territory which is within the other Village's Jurisdictional Area.

HAWTHORN WOODS and NORTH BARRINGTON acknowledge that pursuant to the current provisions of 65 ILCS 5/7-1-1, the annexation of any territory adjacent to any road or highway not already within the corporate limits of any other municipality automatically extends the boundaries of the annexing municipality to the far side of the adjacent highway. To the extent that the provisions of 65 ILCS 5/7-1-1 would result in the automatic annexation of any portion of a highway lying within the other Village's Jurisdictional Area, the provisions of this Agreement shall not bar such highway annexation.

Each Village hereby waives any right to challenge or otherwise contest the validity of any annexation the other Village has effected, is effecting, or will effect in the future consistent with the terms of this Agreement, for territory located within that other Village's jurisdictional area as depicted on the Jurisdictional Boundary Line Map, Exhibit A. Each Village further agrees not to make any requests, formal or informal, to any third party for that third party to challenge the validity of the other Village's past, current, or future annexations within that other municipality's jurisdictional area.

SECTION SEVEN: DEVELOPMENT STANDARDS RELATIVE TO CERTAIN PROPERTY WITHIN THE HAWTHORN WOODS JURISDICTIONAL AREA:

HAWTHORN WOODS and NORTH BARRINGTON agree that if the territory shown within HAWTHORN WOODS Jurisdictional Area as shown on the Jurisdictional Boundary Line Map, Exhibit A, as Parcel 1 is annexed to HAWTHORN WOODS any development of the property shall be subject to the development standards and land uses set forth on Exhibit B attached hereto and made a part hereof.

SECTION EIGHT: NOTICE OF ACTIONS WITHIN JURISDICTIONAL AREAS:

With respect to any territory within their respective Jurisdictional Areas, and in addition to the requirements of Section Four and Seven, each Village shall give the other Village thirty (30) days written notice prior to:

- a) approval of any amendment to its Zoning Ordinance;
- b) approval of any Annexation Agreement;
- c) approval of any amendment to its Official Comprehensive Plan;
- d) approval of plans for developments; or
- e) such other action which commits it to a land use within its Jurisdictional Area which substantially deviates from its Official Comprehensive Plan or this Agreement, provided, however, that the foregoing provisions of this Section Eight shall not be interpreted or applied to modify the provisions of Section Seven of this Agreement; and

each Village shall give the other Village ten (10) days written notice after the receipt of:

- a) any application for a Planned Unit Development, and
- b) submission of any concept plans or preliminary plans.

Upon request of the Village so notified, that Village shall be given reasonable opportunity to review any such proposal and be heard on any such proposal by the corporate authorities of the Village giving such notice, prior to any final action thereon.

NORTH BARRINGTON agrees to take action to consider an amendment to its 1998 Official Comprehensive Plan to reflect the provisions of this Boundary Agreement on or before July 31, 1999.

SECTION NINE : REVENUE SHARING:

A. For the purposes of this Section Nine:

- (1) The term "Department" shall mean the Illinois Department of Revenue.**
- (2) The term "Jurisdictional Area Sales Tax Distribution" shall mean the amounts of Municipal Sales Taxes received by HAWTHORN WOODS from the Department derived from Parcel 1 and Parcel 2 of the Jurisdictional Area of HAWTHORN WOODS.**
- (3) "Municipal Sales Taxes" shall mean the portion of Sales Taxes distributable by the Department to municipalities, currently being one percent (1%) of the revenue from those activities within a municipality resulting in Sales Taxes.**
- (4) "Revenue Sharing Amount" shall mean an amount equal to forty percent (40%) of the Jurisdictional Area Sales Tax Distribution hereafter received by HAWTHORN WOODS during the term of this Agreement.**
- (5) "Sales Taxes" shall mean those taxes imposed by the State of Illinois pursuant to the Illinois Use Tax Act, the Illinois Service Use Tax Act, the Illinois Service Occupation Tax Act and the Illinois Retailer's Occupation Tax Act, or any successors or substitutes to any of said Acts, on the occupation of retailing, the providing of services, or on the use or sale of any service or item.**

B. HAWTHORN WOODS and NORTH BARRINGTON recognize that the commercial development by HAWTHORN WOODS of property within Parcel 1 and Parcel 2 of its Jurisdictional Area will impose on NORTH BARRINGTON certain costs for police protection, road maintenance and for other municipal services and have determined that sharing Municipal Sales Taxes as herein provided is a fair and appropriate manner of sharing services as contemplated by law. Therefore, with respect to Parcel 1 and Parcel

2 of the HAWTHORN WOODS Jurisdictional Area, HAWTHORN WOODS agrees to pay to NORTH BARRINGTON the Revenue Sharing Amount hereafter received.

C. Payments by HAWTHORN WOODS to NORTH BARRINGTON of the Revenue Sharing Amount shall be made on a quarterly basis within sixty (60) days after the quarters ending on March 31, June 30, September 30 and December 31 during which such funds were received (provided that HAWTHORN WOODS shall have first actually received from the Department the applicable Jurisdictional Area Sales Tax Distribution for the applicable quarter). Each payment shall be accompanied by an affidavit from the treasurer of HAWTHORN WOODS setting forth the determination of the amount of such payment.

If, for any reason, the Department fails to distribute all of the Jurisdictional Area Sales Tax Distribution to HAWTHORN WOODS within 60 days of the close of any quarter, HAWTHORN WOODS shall make payment of the required quarterly Revenue Sharing Amount within a reasonable period of time after it shall have received from the Department a portion or portions of the Jurisdictional Area Sales Tax Distribution due HAWTHORN WOODS for such quarter and shall make payment of the balance of the required quarterly Revenue Sharing Amount within a reasonable period of time after it shall have received from the Department the entire Jurisdictional Area Sales Tax Distribution due HAWTHORN WOODS for such quarter.

D. HAWTHORN WOODS shall provide such authorization and/or take such additional actions as may be required to obtain necessary information from the State of Illinois to enable HAWTHORN WOODS to determine the amount of the Jurisdictional Area Sales Tax Distribution. To the extent permitted by law, HAWTHORN WOODS shall take such action as is necessary, (whether by annexation agreements, development agreements, subdivision approvals and/or business licensing) to require each appropriate business and property owner within Parcel 1 and Parcel 2 of its Jurisdictional Area to provide to the State of Illinois or other appropriate governmental agency any and all documentation required by the State or other appropriate governmental agency, and to require each business and each appropriate property owner to provide to HAWTHORN

WOODS a power of attorney letter addressed to, and in a form satisfactory to, the State of Illinois or other governmental agency authorizing the State or other governmental agency, to release all gross revenue and other information to HAWTHORN WOODS to allow the computation of Jurisdictional Area Sales Tax Distribution and the Revenue Sharing Amount. Such power of attorney letter shall be in a form attached hereto as Exhibit "C" or such other or additional forms as required from time to time by the State of Illinois or other governmental agency in order to cause the release of such information to HAWTHORN WOODS. All annexation agreements, development agreements, subdivision approvals and/or business licenses for property within Parcel 1 and Parcel 2 of the HAWTHORN WOODS Jurisdictional Area shall also provide that the developer or property owner shall require each business owner, tenant and property owner to furnish to HAWTHORN WOODS copies of reports of Sales Taxes and all other related forms filed with the State or other governmental agency, certified under oath by an appropriate officer or manager, showing the amount of Sales Taxes paid during the applicable reporting period, together with evidence of the payment of such revenues. HAWTHORN WOODS shall not have an obligation to pay any Revenue Sharing Amount to NORTH BARRINGTON unless and until the information, documentation and evidence of payment referred to herein are received by HAWTHORN WOODS. Upon a written request, NORTH BARRINGTON shall have the right to receive copies of all such information received by HAWTHORN WOODS.

E. Such Revenue Sharing Amount shall be payable solely from Jurisdictional Area Sales Tax Distributions actually received by HAWTHORN WOODS from the Department and HAWTHORN WOODS shall not be obligated to pay any Revenue Sharing Amount from any other fund or source. The obligation of HAWTHORN WOODS created by or arising under this SECTION NINE shall not be a general debt of HAWTHORN WOODS or a charge against its general credit or taxing powers, and no recourse shall be had for any payment required to be made under this SECTION NINE against any officer, employee, attorney, elected or appointed official, past, present or future, of HAWTHORN WOODS.

F. HAWTHORN WOODS and NORTH BARRINGTON acknowledge that the agreement to pay the Revenue Sharing Amount as herein provided is predicated on existing law in the State of Illinois providing for the payment to Illinois municipalities 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 Taxes to Illinois municipalities. HAWTHORN WOODS and NORTH BARRINGTON desire to make express provision for the effect of such change upon the operation of this SECTION NINE. Accordingly, HAWTHORN WOODS and NORTH BARRINGTON agree as follows:

- (1) HAWTHORN WOODS does not currently have statutory authority to impose its own municipal sales tax. If at some time in the future, HAWTHORN WOODS obtains such authority, except to the extent provided otherwise in subparagraph (6) hereof, HAWTHORN WOODS shall not, under any circumstances, be required to impose a municipal sales tax or other tax for the purpose of providing a source of funds for the Revenue Sharing Amount herein contemplated.
- (2) Should HAWTHORN WOODS, pursuant to the authority referred to in subparagraph (1) hereof, hereafter impose a municipal sales tax, the revenues thereby generated shall be subject to the Revenue Sharing Amount herein provided for.
- (3) Should the Illinois General Assembly hereafter eliminate the distribution of sales tax revenues to Illinois municipalities, or otherwise alter the distribution formula in a manner which prevents HAWTHORN WOODS from being able to ascertain with specificity the amount of Jurisdictional Area Sales Tax Distribution, HAWTHORN WOODS shall not have any obligation to pay the Revenue Sharing Amount to NORTH BARRINGTON, except to the extent provided otherwise in subsection (6) hereof.
- (4) Should the Illinois General Assembly hereafter increase the percentage of Sales Tax revenues distributed to Illinois municipalities, the Jurisdictional

Area Sales Tax Distribution provided for herein shall continue but shall apply to the total amount of Municipal Sales Tax revenues from those activities now resulting in Sales Taxes within Parcel 1 and Parcel 2 of the HAWTHORN WOODS Jurisdictional Area, with such Revenue Sharing Amount continuing to be made in accordance with the distribution formula contained in this SECTION NINE.

- (5) Should the Illinois General Assembly hereafter reduce the percentage of Sales Tax revenues distributed to Illinois municipalities, the Jurisdictional Area Sales Tax Distribution provided for herein shall continue with such Revenue Sharing Amount continuing to be made in accordance with the distribution formula contained in this SECTION NINE.
- (6) Should the Illinois General Assembly hereafter eliminate, reduce or alter the formula for the distribution of Sales Tax revenues, as contemplated in subsections (3) or (5) hereof, and should HAWTHORN WOODS, during any such period of elimination, reduction or non-attributability, if authorized by law, impose a municipal sales tax on those activities now resulting in Sales Taxes and provided the amount of sales tax revenues generated by businesses located within Parcel 1 and Parcel 2 of the HAWTHORN WOODS Jurisdictional Area can thereafter be determined with specificity, then the revenues generated thereby shall be subject to the Revenue Sharing Amount herein provided for and shall be distributed to NORTH BARRINGTON in accordance with the distribution formula contained in this SECTION NINE.

G. HAWTHORN WOODS shall provide for payments required under this SECTION NINE by annual appropriation or budget in its annual appropriation ordinance or budget (as may be applicable) for each fiscal year in which such payments may be due.

H. Upon annexation of any territory within Parcel 1 and Parcel 2 of the HAWTHORN WOODS Jurisdictional Area, HAWTHORN WOODS shall provide by Annexation Agreement that in the event that a court of competent jurisdiction enters a final

order finding that the Revenue Sharing provisions or the Revenue Sharing Amount of this SECTION NINE are invalid, and if the territory being annexed meets the criteria set forth in 65 ILCS 5/8-11-20, the owner of the territory and HAWTHORN WOODS shall enter into an economic incentive agreement as authorized by said statute. Said agreement shall provide for the payment of 40% of the Municipal Sales Taxes derived from that territory to an escrow account at a Bank selected by agreement of both Villages (the "Escrowee"). The Annexation Agreement shall further provide that the escrow agreement with said Escrowee shall be entered into by both Villages and the Owner of the territory which is the subject of the Annexation Agreement and said escrow agreement shall provide that said Owner shall donate forty percent (40%) of the municipal sales tax derived from the territory to NORTH BARRINGTON and said amounts shall be paid to NORTH BARRINGTON by the Escrowee.

I. Each Village to the fullest extent permitted by law, shall treat information received by it pursuant to this SECTION NINE, as confidential proprietary business information under the Illinois Freedom of Information Act, and, to the extent that either Village is required to disclose such information, it shall limit such disclosure, to the extent possible, to the release of gross revenue and gross sales tax information so that proprietary information of individual businesses, lessees and purchasers is protected and kept confidential.

SECTION TEN : BEST MANAGEMENT PRACTICES:

To the extent permitted by law, each Village will require (by annexation agreements, development agreements and/or subdivision approvals) that developers of property within its Jurisdictional Area use Best Management Practices in designing, engineering and installing drainage, landscaping, lighting, signage and all infrastructure improvements. Best Management Practices shall be such practices as determined as such by the Village Engineer or Village Administrator of the Village in accordance with generally accepted standards applying the Best Management Practices within that Village's Jurisdictional Area.

Furthermore, as to Parcel 1 as depicted on Exhibit A, HAWTHORN WOODS agrees to apply the standards of the Lake County Stormwater Management Commission (or any successor agency thereto) and to seek review by such Commission, irrespective of whether any proposed development(s) of such Parcel 1 meet the then prevailing standards for jurisdiction by such Commission.

SECTION ELEVEN : SHARING OF CERTAIN EXPENSES:

The Villages will share equally the costs of surveyors, engineers, title expenses or other similar expenses incurred in securing information for the preparation of this Agreement and the costs of recordation. Each Village will pay its own attorneys' fees.

SECTION TWELVE : BINDING EFFECT: This Agreement shall be binding upon and shall apply only to relations between HAWTHORN WOODS and NORTH BARRINGTON. Nothing herein shall be used or construed to affect, support, bind or invalidate the boundary claims of either HAWTHORN WOODS and/or NORTH BARRINGTON insofar as such claims shall affect any municipality which is not a party to this Agreement.

SECTION THIRTEEN : AMENDMENT: Neither HAWTHORN WOODS nor NORTH BARRINGTON shall directly or indirectly seek any modification of this Agreement through court action and this Agreement shall remain in full force and effect until amended or changed in writing by the mutual agreement of both HAWTHORN WOODS and NORTH BARRINGTON.

SECTION FOURTEEN : PARTIAL INVALIDITY: If any provision of this Agreement shall be declared invalid for any reason, such invalidation shall not affect other provisions of this Agreement which can be given effect without the invalid provisions and to this end, the provisions of this Agreement are to be severable.

SECTION FIFTEEN : TERM: This Agreement shall be in full force and effect for a period of twenty (20) years from the date hereof; provided however, that NORTH BARRINGTON and HAWTHORN WOODS shall provide in the Stipulation set forth in SECTION SEVENTEEN that this Agreement and the provisions of Section Nine "Revenue Sharing" shall be in be in full force and effect for a period of ninety-nine (99) years or such

lesser period of time, but in no event less than twenty (20) years, as may be provided by judicial order in Case No. 99 CH 190, the Village of North Barrington vs. Hawthorn Woods, now pending in the Circuit Court of the Nineteenth Judicial Circuit, Lake County Illinois.

SECTION SIXTEEN: NOTICES:

Except as otherwise specifically provided herein, all notices required or permitted hereunder shall be in writing and shall be served on the persons set forth below as follows:

- (i) By personal delivery; or
- (ii) By mailing by certified mail, return receipt requested (in which event the notices shall be deemed served as of the first business day following such mailing); or
- (iii) By sending a fax transmission to the fax number listed below (in which event the notice shall be deemed served as of the first business day following the date of the confirmation of receipt of such transmission on the sending fax machine); or
- (iv) By sending by nationally recognized overnight express delivery services {such as Federal Express, Airborne, Emory, U.S. Postal Service, etc.} (in which event the notice shall be deemed served as of the first business day following the latest of the delivery day ranges held out by such express delivery service for the manner sent).

For the purposes of this Agreement, a "business day" is deemed to mean Monday through Friday, 9:00 AM to 4:30 PM, local time, excluding federal holidays.

If to NORTH BARRINGTON:

Village President
Village of North Barrington
111 Old Barrington Road
North Barrington, IL 60010
Facsimile Number - 847/381-3303

With a copy to:

Village Clerk
Village of North Barrington

111 Old Barrington Road
North Barrington, IL 60010
Facsimile Number - 847/381-3303

If to HAWTHORN WOODS:

Village President
Village of Hawthorn Woods
2 Lagoon
Hawthorn Woods, IL 60047
Facsimile Number - 847/438 - 1459

With copy to:

Village Clerk
Village of Hawthorn Woods
2 Lagoon
Hawthorn Woods, IL 60047
Facsimile Number - 847/438 - 1459

or such other address as any Village may from time to time designate in a written notice to the other Village.

SECTION SEVENTEEN: EXISTING LITIGATION: HAWTHORN WOODS and NORTH BARRINGTON are parties to existing litigation entitled Village of North Barrington v. Village of Hawthorn Woods, pending in the Circuit Court of the Nineteenth Judicial Circuit, Lake County, Illinois, Case No. 99 CH 190. Within ten (10) business days after the date of this Agreement, there will be presented to said Court a stipulation which is attached hereto and made a part hereof as Exhibit D (the "Stipulation") and is approved by the Corporate Authorities of both Villages as part of the approval of this Agreement by the Corporate Authorities. It is a condition of the effectiveness of this Agreement that said Stipulation be approved by the said Circuit Court within fifteen (15) business days after the date of this Agreement or such further time as required by the Court but in any event not later than June 30, 1999. If said Stipulation is not judicially approved within said time period, then the two Villages shall reconsider the Stipulation and revise said Stipulation in a manner that is acceptable to the Court.

SECTION EIGHTEEN: ILLINOIS LAW: This Agreement shall be construed in accordance with the laws of the State of Illinois and shall be filed with the respective Village clerks and recorded with the Lake County Recorder of Deeds.

IN WITNESS WHEREOF, the parties hereunto have hereunto set their hands and seals on the date first above written.

VILLAGE OF HAWTHORN WOODS, an
Illinois municipal corporation,

By: *John T. Clery*
John T. Clery, President

ATTEST:

Phyllis Scheu
Phyllis Scheu, Village Clerk



VILLAGE OF NORTH BARRINGTON, an
Illinois municipal corporation,

By: George E. Larrain
George E. Larrain, President

ATTEST:

Phyllis R. Keith
Phyllis R. Keith, Village Clerk

By: Judy Janus
Deputy Village Clerk

STATE OF ILLINOIS)
) SS.
COUNTY OF LAKE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that John T. Clery, President of the Village of Hawthorn Woods, and Phyllis Scheu, Village Clerk of said Village, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Village Clerk, respectively appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Village, for the uses and purposes therein set forth and the said Village Clerk then and there acknowledged that she, as custodian of the corporate seal of said Village, did affix the corporate seal of said Village, did affix the corporate seal of said Village to said instrument, as her own free and voluntary act and of said Village, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 8th day of April, 1999.

Nancy S Harbottle
Notary Public



STATE OF ILLINOIS)
) SS.
COUNTY OF LAKE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that George E. Larrain, President of the Village of North Barrington, and Judy Janus, Deputy Village Clerk of said Village, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Deputy Village Clerk, respectively appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Village, for the uses and purposes therein set forth and the said Deputy Village Clerk then and there acknowledged that she, as custodian of the corporate seal of said Village, did affix the corporate seal of said Village, did affix the corporate seal of said Village to said instrument, as her own free and voluntary act and of said Village, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 8th day of April, 1999.

Nancy S Harbottle
Notary Public

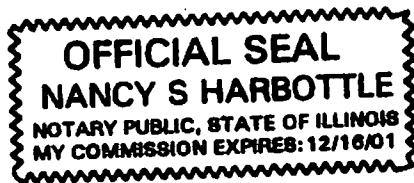


EXHIBIT "B"

Development Standards

For the approximately 110 acres located at the southeast corner of Rand Road and Old McHenry Road and identified as Parcel 1 on Exhibit A, the Jurisdictional Boundary Map

a) No less than 35 or more than 50 acres shall be developed pursuant to a Planned Unit Development as retail development subject to the Permitted Uses and Prohibited Uses listed below in paragraph d and e of this Exhibit B; and ;

b) no individual store, shop, restaurant or other unit shall exceed 80,000 square feet in size including grocery stores and one (1) Specialty Department Store; a Specialty Department Store means a store with high-end merchandise that specializes in apparel, fashion accessories, jewelry, items for the home and housewares, featuring exclusive offerings of merchandise, high level of customer service and amenities, and higher price points; these stores are smaller chains, often representing limited markets within the country;

c) that the remainder of the approximately 110 acres shall be developed as residential with a mixed of single family dwelling units, townhomes or condominiums.

d) Permitted Uses. The following uses shall be permitted:

- (A) Antique shops;
- (B) Art gallery;
- (C) Bakery, retail sales on premises;
- (D) Banks and other financial services including drive-through facilities;
- (E) Bookstore or stationery shops;
- (F) Floral shop, conservatory for retail trade, on premises;
- (G) Gift shop;
- (H) Gourmet shop and Grocery store;
- (I) Haberdashery;
- (J) Handicraft shop;
- (K) Interior decorating shop;
- (L) Jewelry store;
- (M) Leather goods shop;
- (N) Pet shop but not including an animal hospital;
- (O) Picture framing when conducted for retail trade on premises;
- (P) Plumbing showroom and shop;
- (Q) Restaurant; sit down;
- (R) Specialty Department store;
- (S) Travel bureau;
- (T) Apparel shop;
- (U) Other uses similar to the above and

(V) Accessory uses to above permitted uses

e) Prohibited Uses. The following uses are prohibited:

- (A) Agricultural implement sales and services;
- (B) Animal hospitals/veterinary clinics;
- (C) Automobile and, aircraft and power boat sales and services;
- (D) Bait shops;
- (F) Businesses located in free standing structures;
- (G) Casinos;
- (H) Commercial laundries;
- (I) Dry cleaning plants;
- (J) Dwelling units;
- (K) Establishments where the purchase of goods or receipt of services is conducted through a drive-in/up window except for banks and other financial services;
- (L) Feed and grain stores;
- (M) Fast food restaurants;
- (N) Food locker plants;
- (O) Heating and air conditioning service shops;
- (P) Kennels;
- (Q) Laundromats;
- (R) Lawn mower, snow blower and similar small engine repair services and no any other motor or engine repair services;
- (S) Lumber yards;
- (T) Medical and Dental Clinics;
- (U) Mortuaries;
- (V) Movie theaters;
- (W) Outdoor sales of merchandise or services;
- (X) Outdoor storage of merchandise for sale;
- (Y) Parking structures, free standing, above grade;
- (Z) Pawn shops;
- (AA) Penny arcades type facilities;
- (AB) Pinball machines and similar machines;
- (AC) Plumbing services;
- (AD) Sale and storage of gasoline/diesel fuel, filling or and service stations, and car washes;
- (AE) Shooting ranges;
- (AG) Tattoo parlors, massage parlors, pleasure spas, or establishments selling adult-only media, entertainment or services;
- (AH) Taxidermy shops;
- (AI) Vehicle repair shops;
- (AJ) Wholesaling businesses; or

(AK) Zoos; and

(AL) Any other establishment or use similar to any of the above.