

**LOCAL LAND RESOURCE MANAGEMENT PLAN AND INTERGOVERNMENTAL
AGREEMENT BY AND BETWEEN
THE VILLAGE OF HAWTHORN WOODS, THE VILLAGE OF NORTH
BARRINGTON, AND THE COUNTY OF LAKE
REGARDING THE ILLINOIS ROUTE 12/OLD MCHENRY ROAD PLAN AREA**

THIS LOCAL LAND RESOURCE MANAGEMENT PLAN AND
INTERGOVERNMENTAL AGREEMENT (the “Agreement”) is made this ____ day
of_____, 2012, by and between the VILLAGE HAWTHORN WOODS, an Illinois
municipal corporation (“Hawthorn Woods”), the VILLAGE OF NORTH BARRINGTON, an
Illinois municipal corporation (“North Barrington”) (collectively, the Village of Hawthorn
Woods and the Village of North Barrington are referred to herein as the “Villages”), and the
COUNTY OF LAKE (the “County”) (the County, Hawthorn Woods, and North Barrington are
collectively referred to herein as the “Parties” and individually, generally as “Party”).

RECITALS

WHEREAS, the County, 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; and

WHEREAS, intergovernmental cooperation between Illinois local governments is
authorized directly by Section 10(a) of Article VII of the Illinois Constitution 1970, and is
further encouraged and authorized by the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et
seq.*; and

WHEREAS, under Section 3 of the Intergovernmental Cooperation Act any powers,
privileges or authority exercised or which may be exercised by a public agency may be
exercised, combined, transferred, and enjoyed jointly with any other public agency of this State,
5 ILCS 220/3; and

WHEREAS, intergovernmental cooperation in regard to land resource management and planning is specifically authorized and encouraged by the Local Land Resource Management Planning Act, notwithstanding general statutory limitations concerning county and municipal zoning, 50 ILCS 805/1 and 805/6; and

WHEREAS, there is a certain parcel of land totaling approximately 110 acres located generally at the southeast corner of Rand Road (Illinois Route 12) and Old McHenry Road in unincorporated Lake County, as depicted on Exhibit A attached hereto (the “Subject Property”); and

WHEREAS, Hawthorn Woods and North Barrington have previously entered into an Intergovernmental Jurisdictional Boundary Line Agreement dated April 8, 1999, which has been amended by the First Amendment to Intergovernmental Jurisdictional Boundary Line Agreement dated April 29, 2002 (the “Hawthorn Woods-North Barrington Boundary Agreement”), pursuant to which Agreement the Subject Property lies within the Hawthorn Woods Jurisdictional Area reflected on the Jurisdictional Line Boundary Map, the Subject Property would be subject to certain development standards and developed as a commercial and residential development in the event of annexation into Hawthorn Woods, and Hawthorn Woods and North Barrington would share in Municipal Sales Tax generated from the Subject Property; and

WHEREAS, Hawthorn Woods and the Village of Lake Zurich (“Lake Zurich”) entered into an Intergovernmental Jurisdictional Boundary Line Agreement dated May 6, 1998, which agreement was amended by a First Amendment to Boundary Agreement dated April 12, 1999, and by Second Amendment to Boundary Agreement dated August 4, 2003, (the “LZ-HW Boundary Agreement”), pursuant to which Lake Zurich agreed not to serve properties on the

Hawthorn Woods side of the Jurisdictional Boundary Line, including the Subject Property, with sewer and/or water service, without the consent of Hawthorn Woods; and

WHEREAS, Hawthorn Woods and the Village of Lake Zurich entered into an Intergovernmental Agreement for Sanitary Sewer Service dated August 4, 2003 (the “LZ-HW Sewer Agreement”), pursuant to which agreement, and subject to the terms and conditions of the agreement, Lake Zurich agreed to provide intermediary sewer transport services to certain properties that may be annexed into and developed within Hawthorn Woods, including the Subject Property; and

WHEREAS, on October 13, 2009, the County and Hawthorn Woods entered into Wholesale Agreement for Sewage Disposal (the “County-HW Sewer Agreement”) pursuant to which agreement the County, subject to the terms and conditions of the agreement, agreed to provide sewage transport and treatment services to certain parcels that may be annexed into and developed within Hawthorn Woods, including the Subject Property; provided however, that Hawthorn Woods agreed that, notwithstanding the LZ-HW Boundary Agreement and LZ-HW Sewer Agreement, if the Subject Property remained in the unincorporated County, then Lake Zurich had the right to contract with the County for the provision of sewer transport services to the Subject Property, that Hawthorn Woods would not object to Lake Zurich providing such sewer service to the Subject Property, and that Hawthorn Woods would support an amendment to the LZ-HW Sewer Agreement, if required by Lake Zurich, to expressly authorize Lake Zurich to provide sewer service to the Subject Property; and

WHEREAS, on May 12, 2009, the County, North Barrington, and Lake Zurich entered into an Agreement for Sewage Disposal Services that, subject to the terms and conditions of the

agreement, provided that future sewer connections to an existing North Barrington sewer force main and sewer gravity main along Route 12 would be allowed, that such sewer lines would be regional sewer lines and that certain parcels, including the Subject Property, would be able to utilize the sewer lines; and

WHEREAS, consistent with the terms of the LZ-HW Boundary Agreement, by letter dated April 13, 2011, Lake Zurich requested Hawthorn Woods' consent to Lake Zurich's provision of sewer transport and water supply services to the unincorporated Subject Property; and,

WHEREAS, to date Hawthorn Woods has not provided such written consent to Lake Zurich; and

WHEREAS, on November 1, 2011, the owner of the Subject Property and Lake Zurich entered into an Agreement for Water and Sewer Services wherein, pursuant to the terms and conditions of the agreement, Lake Zurich agreed to provide sewage transport and water supply services to the Subject Property; and

WHEREAS, on September 30, 2010, the owner of the Subject Property made application to the County for a rezoning, Conditional Use Permit and PUD Preliminary Development Plan to allow commercial development of the Subject Property ("Pending Development Application"), pursuant to which application the Lake County Zoning Board of Appeals has conducted public hearings on July 18, July 25, September 6, September 11, September 13, September 18 and September 20, 2012 to consider the application; and

WHEREAS, by resolutions dated February 2, 2012 and February 29, 2012, Hawthorn Woods and North Barrington, respectively, have objected to the pending rezoning, Conditional

Use Permit and PUD Preliminary Development Plan application pursuant to 55 ILCS 5/5-12014;
and

WHEREAS, all of the Parties are concerned with ensuring appropriate land use and development standards for the Subject Property and to minimize the impact of such development on infrastructure, schools, municipal sewers and services, and to that end have held meetings to attempt to identify common interests and mutually acceptable conditions for the future development of the Subject Property; and

WHEREAS, the corporate authority of each Party desires to set the standard for high quality economic development and address issues of special concern relating to the development of the Subject Property; and

WHEREAS, the Parties recognize that the development of the Subject Property may have impacts on the infrastructure and services of Hawthorn Woods and North Barrington, and the costs of providing same, and that the sharing of Municipal Sales Tax revenue generated from the Subject Property is appropriate to offset and compensate Hawthorn Woods and North Barrington for these impacts; and,

WHEREAS, the corporate authority of each of the Parties have determined that it is in the best interests of each of their respective communities to establish a joint or compatible Local Land Resource Management Plan and development plan for the Subject Property;

NOW, THEREFORE, in consideration of the foregoing premises, mutual promises, covenants, and agreements set forth herein, the Village of Hawthorn Woods, the Village of North Barrington, and the County of Lake hereby agree as follows:

Section 1. Recitals. The foregoing recitals are material to this Agreement and are

incorporated herein as though fully set forth in this Section 1.

Section 2. Management Plan. The purpose of this Agreement is to implement and effectuate a Local Land Resource Management Plan (“Management Plan”) which the corporate authority of each Party has determined to be in the best interests of each Party hereto, as well as the planning area as a whole. The Parties agree that the following Management Plan will be applicable to development of the Subject Property (the “Planning Area”):

- A. Uses: The uses of the property shall be consistent with those permitted in the General Commercial zone as set forth in the Lake County Unified Development Ordinance (the “UDO”) as of the date of this Agreement, except that the following uses shall be prohibited:
- a. Hospitals or medical centers with overnight beds;
 - b. Adult entertainment establishments, as defined in the UDO as of the date of this Agreement, including but not limited to: adult stores, adult theatres and adult cabarets; and as otherwise defined as “adult entertainment facilities” in 55 ILCS 5/5-1097.5;
 - c. Crematoria or mortuaries;
 - d. Boat/Car/Other Vehicle Sales with outdoor storage/display;
 - e. Airports;
 - f. Bus terminals;
 - g. Tattoo parlors;
 - h. Self-service (coin-operated) laundry facilities;
 - i. Outdoor kennels;

j. Service stations/Fuel storage facilities;

B. Floor Area: The maximum allowed floor area shall be no more than 650,000 square feet, as calculated under the UDO in effect as of the date of this Agreement. Of this 650,000 square feet of total floor area allowed, no more than 450,000 square feet may be devoted to retail with the balance as “local service-oriented uses,” such as restaurants, entertainment-oriented businesses, local commercial services, other neighborhood-oriented uses or general office uses.

C. Height: The height limitation for any development on the Subject Property shall be as follows:

- a. Any buildings located within 300 feet of the Old McHenry Road right-of-way line shall be limited to 35 feet in height (with 15 feet of additional height allowed for architectural features).
- b. For the remainder of the buildable area (as defined by the setbacks on the Preliminary Development Plan), buildings shall be limited to no more than 50 feet in height (with 15 feet of additional height allowed for architectural features) and shall be further limited to no more than 3 stories.

D. Lighting: Lighting shall be subject to compliance with “dark sky” technology standards and the following maximum thresholds measured at the property lines:

- a. Along Rand Road – 0.75 footcandle
- b. All other property lines – 0.25 footcandle

- E. Building Access/Circulation: Any development layout shall, at least in part, feature separate structures, individual external store entrances or other means of promoting open-air circulation of pedestrians. In addition, to further enhance community character, open-air pedestrian-oriented amenities shall be featured including, but not limited to fountains, waterfalls and other decorative water features; gazebos and pavilions; pedestrian trails; outdoor seating; and internal streetscape improvements.
- F. Stormwater Management: To protect the area watersheds and help minimize flooding, the following provisions will apply to stormwater management:
- a. Review: Lake County Planning, Building and Development Department and the Lake County Stormwater Management Commission will exercise concurrent responsibility for review and approval over the stormwater-related components of the project utilizing, unless otherwise provided for herein, the standards of the Lake County Unified Development Ordinance applicable at the time of development.
 - b. Release Rates: Off-site stormwater flow from the development shall be at least as restrictive as the Squaw Creek Release Rate (specifically defined as 0.02 cubic feet per second, per acre for the 2-year 24-hour storm event; 0.09 cubic feet per second, per acre for the 100-year 24-hour storm event) in lieu of any less-restrictive standard Lake County Unified Development Ordinance release rates.

G. Parking Structures: Any parking structures shall be limited to 2 stories; any parking structures oriented to Old McHenry Road shall be visually from the Old McHenry right-of-way and be minimally visible to adjacent property owners through additional enhanced screening.

H. Outdoor Storage/Display: Any outdoor storage/display associated with established retail uses on-site shall be completely enclosed and screened from view by a wall meeting the architectural conditions of the applicant's Pattern Book as approved by the County Board as part of the Pending Development Application on October 9, 2012; such outdoor storage/display area shall only be accessible via the interior of the retail building.

I. Performance Guarantees: Performance guarantees shall be required for the installation and maintenance of landscaping equal to the following:

- a. for installation 130% (100% plus 30% contingency) of the estimated installation costs (including labor and materials);
- b. for maintenance: 15% of the estimated installation costs (labor and materials).

Such guarantees shall encompass not only new landscape buffering required along all property lines but also required screening enhancements to existing landscaping and berming along abutting properties in Valentine Manor.

J. Security. Any final development approval shall be conditioned upon requiring on-site security by the owner/lessee during all retail hours of operation if requested by the Sheriff's Office, taking into account the size and scope of

development and the uses on the site. Any final development approval shall be conditioned upon the developer providing up to an acre of land on-site, at no cost to the Parties, to be used for Sheriff and Fire Protection District substations, if requested by these agencies.

K. Development on the Subject Property shall be subject to the additional conditions set forth on Exhibit B attached to this Agreement.

Section 3. Compliance with the Management Plan. The Parties agree that any development of the Subject Property, irrespective of what Party may have jurisdiction over the Subject Property at the time of development, shall comply with all the terms and conditions of the Management Plan set forth in Section 2 above, and that the Party then having jurisdiction over the Subject Property will not grant development approvals except upon condition that the development comply with the Management Plan. For purposes of this section, “Development Approval” shall mean for any development: rezonings, specifically requested zoning text amendments, variations, conditional or special use permits, or final planned unit development approvals, or any final subdivision plat for which any variances are required.

Moreover, upon receipt of any application for Development Approval on the Subject Property received after the effective date of this Agreement, the Party receiving such application shall, within 14 days, forward a copy of the entire application to the other Parties for their review, in order to ensure compliance with the terms of this Agreement.

Section 4. Pending Development Application.

A. Subject to the terms and conditions of the Management Plan and this Agreement, the Villages support the overall proposed size and scope of development

contemplated in the Pending Development Application.

- B. Notwithstanding subsection A above, the Villages may retain their formal legal objections to the Pending Development Application solely of purposes requiring a supermajority vote of the County Board to approve the Pending Development Application, and the Villages retain their right to participate in and recommend additional conditions to development approval through the Final Planned Unit Development (and/or other Development Approvals as defined in Section 3 above, if any) review process applicable to the Subject Property from time to time in order to enhance the development proposal, provided such participation and recommended additional conditions do not conflict with the terms of the Management Plan of this Agreement.
- C. The Villages will not waive any conflict or otherwise consent to any of their consultants/experts, or materials developed by the Villages or their consultants/experts for the purpose of objecting to or opposing the Pending Development Application, to be retained by, utilized by or provided to any other party who may object to or oppose the Pending Development Application, except as may be required by law.

Section 5. Annexation

- A. No Annexation Unless Owner-Initiated. The Villages each agree that they will not annex or take any action to allow annexation of the Subject Property, in whole or in part, unless the owner and/or developer acting as owner's agent of the Subject Property initiates the annexation in accordance with 65 ILCS 5/7-1-8.

Moreover, prior to any such annexation, which the Villages agree shall only result in annexation to Hawthorn Woods, Hawthorn Woods shall require the property owner to enter into a binding annexation agreement consistent with the terms of this Agreement and Hawthorn Woods will conduct all related public hearings as may be required by law.

- B. In the event of annexation of the Subject Property in accordance with subsection A above, Hawthorn Woods shall pay to the County and North Barrington the same amount and proportion of the Municipal Sales Tax generated from the Subject Property, as defined in Section 7 below, that the County and North Barrington would have been entitled to had the Subject Property remained in the unincorporated County. Further, in the event of annexation Hawthorn Woods shall not enter into any incentive agreement benefitting the Subject Property, Subject Property owner and/or developer that provides payments to them prior to the distribution of the Municipal Sales Tax contemplated by this Agreement to the other parties to this Agreement.
- C. Notwithstanding any annexation in accordance with subsection A above, the parties agree that the same standards for development (i.e., the Management Plan standards set forth herein, any additional standards imposed as a condition of County Board approval of the Pending Development Application, stormwater management regulations, building code, etc.), shall continue to apply as if the property had remained in the unincorporated County.
- D. The Parties agree to jointly oppose and to jointly pursue such legal action as may

be then available to oppose any action taken to seek or effectuate annexation of the Subject Property, or any portion thereof, into any municipality other than into Hawthorn Woods pursuant to an annexation petition filed by the owner and or developer acting as the owner's agent; and the County shall require a covenant from the owner of the Subject Property to be recorded against the Subject Property within the time frame established in Section 16 of this Agreement as a condition of approval of the Pending Development application to effectuate the terms of this Section 5.D.

Section 6. Hawthorn Woods Consent to Provision of Water.

Hawthorn Woods will immediately work together with Lake Zurich to amend the LZ-HW Boundary Agreement to authorize Lake Zurich to serve the Subject Property with public water upon County approval of the Final Development Plan.

Section 7. Sales Tax Sharing.

- A. In recognition of the potential impacts that the commercial development of the Subject Property in compliance with the Management Plan may have on the Village's infrastructure and services, including but not limited to police services and road maintenance, the County will pay a total of forty percent (40%) of the total gross Municipal Sales Tax (prior to any deductions of any type) it receives for the Subject Property from the State of Illinois through the Illinois Department of Revenue ("IDOR") to the Villages, paying a total of twenty-two percent (22%) to Hawthorn Woods and eighteen percent (18%) to North Barrington (the "Sales Tax Revenue Payments"). The County shall retain sixty percent (60%) of the

Municipal Sales Tax it receives for the Subject Property from the IDOR.

B. Definitions. For purposes of this section:

1. “Municipal Sales Tax” means that portion or component of the Sales Taxes generated from sales on all or any portion of the Subject Property that the County actually receives from the State of Illinois’ Local Government Tax Fund under the applicable provisions of Chapter 35 of the Illinois Compiled Statutes and 30 ILCS 105/6z-18 (at the time of this Agreement, this “local portion” of the 6.25 percent retailers’ occupation tax and service occupation tax is one percent, or 16 percent of tax collections). “Municipal Sales Tax” shall not include (i) the tax (.25 percent at the time of this Agreement) imposed, in addition to the 6.25 percent retailers’ occupation tax and service occupation tax, pursuant to 70 ILCS 3615/4.03; and (ii) that portion or component of the Sales Taxes generated from sales on all or any portion of the Subject Property that the County receives from the State of Illinois’ County and Mass Transit District Fund under the applicable provisions of Chapter 35 of the Illinois Compiled Statutes and 30 ILCS 105/6z-20 (at the time of this Agreement, this “County portion” of the 6.25 percent retailers’ occupation tax and service occupation tax is .25 percent, or 4 percent of tax collections).
2. “Sales Taxes” means any and all taxes imposed and collected by the State of Illinois pursuant to the Retailers’ Occupation Tax Act, 35 ILCS 120/1 *et seq.*, the Service Use Tax Act, 35 ILCS 110/1 *et seq.*, the Service Occupation Tax Act, 35 ILCS 115/1 *et seq.*, and the Use Tax Act, 35 ILCS 105/1 *et seq.*, 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.

C. Timing of County Payment. Within 45 days after the end of each quarter, the County shall make Sales Tax Revenue Payments to the Villages required under this Section based upon Municipal Sales Tax received by the County from IDOR during that particular quarter. To the extent permitted by law, in granting Development Approvals, the County shall require all new businesses within the Subject Property to obtain a Change of Use permit from the County so as to ensure compliance by such business with applicable zoning and building regulations and the terms of this Agreement, and the County, as a condition of granting such Change of Use permit, shall require all new businesses within the Subject Property to furnish to the County copies of reports of Sales Tax and related forms filed with the IDOR showing and evidencing Sales Tax paid by such businesses during the applicable period and to provide to the IDOR an authorization in a form acceptable to the IDOR for the release all gross revenue and other information to the County to allow a computation of the Sales Tax Revenue Payments (currently known as the “Illinois Department of Revenue Authorization to Release Sales Tax Information to Local Governments” referenced as PTAX-1002-21 (R-7/11)). The County shall have no obligation to make the Sales Tax Revenue Payments unless and until the information, documentation, and evidence of payment necessary to calculate the Municipal Sales Tax received by the County. Notwithstanding the foregoing, in the event

that the County fails to obtain the required documentation and the State fails to notify the County of an individual business or tenant's sales tax amount, then Hawthorn Woods, North Barrington and the County shall determine a reasonable estimate of the Municipal Sales Tax received by the County from such business or tenant and the County shall use such reasonable estimate as the basis for the calculation and payment of the Sales Tax Revenue Payment , subject to reconciliation at such time as the Municipal Sales Tax amount for such business or tenant becomes available. . To the extent permitted by law, the Villages shall receive copies of all sales tax information relating to businesses on the Subject Property received by the County.

D. Change in the Law.

1. Existing Law. The County and the Villages acknowledge and agree that the County's obligation to make the Sales Tax Revenue Payments is predicated on existing State law governing the distribution of Sales Taxes to the County, including, without limitation, the Retailers' Occupation Tax Act. The County and the Villages further acknowledge that the General Assembly of the State has, from time to time, considered proposals to modify or eliminate the distribution of Sales Taxes to Illinois counties and/or municipalities. The County and the Villages make express provision for the effect of any change upon the operation of this Agreement in Paragraph 2 of this subsection.
2. Change in Law. In the event that the State of Illinois amends, alters or repeals

the Retailers' Occupation Tax Act or makes any other promulgation, enactment, or change in law ("Change in Law") that substantially reduces the distribution of Sales Taxes to the County, or otherwise alters the distribution formula in a manner that prevents the County from determining with a reasonable degree of certainty the precise amount of the Municipal Sales Tax, then Hawthorn Woods, North Barrington and the County shall determine a reasonable estimate of the reduced or altered Municipal Sales Taxes received by the County and the County shall use such reasonable estimate as the basis for the calculation and payment of the Sales Tax Revenue Payment, subject to reconciliation if the actual Municipal Sales Tax information becomes available. If no Municipal Sales Taxes are received by the County from the State then the County shall have no obligation to pay to the Villages any of the Sales Tax Revenue Payments contemplated by this Agreement; provided, however, if a Change in Law results in replacement taxes for the Municipal Sales Taxes directly resulting from gross receipts of the retailer, the provider of services, or on the use or sale of any service or item as contemplated in this Agreement, then, for purposes of this Agreement, the replacement taxes shall be defined as Municipal Sales Taxes, subject in all respects to the County's actual receipt of its portion of the replacement taxes, as contemplated in this Agreement.

E. Limited Liability. Notwithstanding any other provision of this Agreement to the contrary, the County's obligation to make the Sales Tax Payment shall not be a

general debt of the County or a charge against its general credit or taxing powers, but shall be a special limited obligation payable solely out of the Municipal Sales Tax received by the County, as specifically defined in Section 7 of this Agreement. The Villages shall have no right to, and agree that they shall not, compel any exercise of the taxing power of the County to make the Sales Tax Payment, and no execution of any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds or other property of the County (unless the County refuses to make the payment to the Villages in violation of this Agreement). No recourse shall be had for any payment pursuant to this Agreement against any past, present, or future Board member, other elected or appointed officer, official, agent, representative, employee, or attorney of the County in his or her individual capacity.

Section 8. Entire Agreement; Rescission/Amendment of Other Inconsistent Agreements.

A. This Agreement constitutes the entire agreement between the Parties and supersedes any and all prior discussions and negotiations between any of the Parties, whether written or oral, relating to the subject matter of this Agreement. To the extent any provision in this Agreement is inconsistent with the terms of any pre-existing written intergovernmental agreement between any of the Parties, including but not limited to the Hawthorn Woods-North Barrington Boundary Agreement, it is the intent of the Parties that this Agreement does and shall be interpreted to amend such pre-existing intergovernmental agreement to be consistent with the terms of this Agreement.

B. The Parties agree to, promptly upon execution of this Agreement, amend all existing agreements that each Party may have with third parties that are inconsistent with the terms herein, so as to be consistent with the terms herein, and not to enter into new agreements that are inconsistent with the terms set forth herein.

Section 9. Applicable Law; Venue; Challenges to Agreement; Interpretation; Severability.

A. Applicable Law and Venue. This Agreement is executed and to be performed in the State of Illinois, and shall be governed by and construed in all respects, whether as to validity, construction, capacity, performance, or otherwise, in accordance with the laws of the State of Illinois. It is agreed between the parties that, in the event of any dispute involving, arising out of, or concerning this Agreement, venue shall lie in the Circuit Court of the Nineteenth Judicial Circuit,

Lake County, Illinois.

B. Joint Defense. In the event that a third-party should make a claim or demand or file a suit challenging the provisions of this Agreement (including without limitation any challenge that this Agreement is unlawful or unauthorized) (a “Claim”), the Parties shall jointly defend themselves, each other, and this Agreement against such Claim, unless the Parties mutually agree to modify the Agreement in a manner that would negate the Claim. Notwithstanding the foregoing the Villages shall not be required to defend a suit challenging the County’s rezoning, conditional use permit for a planned unit development or PUD preliminary plan.

C. Interpretation and Severability. It is the intent of the Parties that the Subject Property be developed consistent with the Management Plan, and this Agreement has been entered into to further this purpose. It is the further intent of the Parties that this Agreement be construed and interpreted so as to preserve its validity and enforceability as a whole. In case of any conflict among the provisions of this Agreement, the provision that best promotes and reflects the intent of the Parties shall control. If any provision of this Agreement is construed or held to be void, invalid, or unenforceable in any respect, the remaining provisions of this Agreement shall not be affected thereby but shall remain in full force and effect.

Section 10. Term. This Agreement shall be effective upon its execution and shall continue in full force and effect for a term of 99 years. If the term is held invalid, it is the intent of the Parties that the term shall be the maximum permitted by applicable law as of the date of

this Agreement, or such longer maximum term as may be subsequently allowed. If any of the rights, restrictions, agreements, or covenants created by this Agreement would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such rights, restrictions, agreements, or covenants shall continue only until 21 years after the death of the last survivor of the now living lawful descendants of Barack Obama, current President of the United States.

Section 11. Execution in Counterparts. This Agreement may be executed in multiple identical counterparts, and all of such counterparts, taken individually and taken together, shall constitute the Agreement.

Section 12. No Third Party Beneficiaries. Nothing in this Agreement shall create, or shall be construed or interpreted to create, any third party beneficiary rights.

Section 13. Waiver. No term or condition of this Agreement shall be deemed waived by any Party unless the term or condition to be waived and the circumstances giving rise to such waiver are set forth specifically in a duly authorized and written waiver of such Party. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition of this Agreement, nor shall waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or a different provision of this

Section 14. Notices. All notices required or permitted to be given under this Agreement shall be given by the Parties by: (i) personal delivery; (ii) deposit in the United States mail, enclosed in a sealed envelope with first class postage thereon; or (iii) deposit with a

nationally recognized overnight delivery service, addressed as stated in this Section 14. The address of any Party may be changed by written notice to the other Parties. Any mailed notice shall be deemed to have been given and received within three days after the same has been mailed and any notice given by overnight courier shall be deemed to have been given and received within 24 hours after deposit. Notices and communications to the Parties shall be addressed to, and delivered at, the following addresses:

If to the County: Lake County
 18 North County Street
 Waukegan IL 60085
 Attention: County Administrator

with a copy to: Lake County State's Attorney
 18 North County Street
 Waukegan IL 60085
 Attention: Chief Deputy, Civil

If to Hawthorn Woods: Village of Hawthorn Woods
 2 Lagoon Drive
 Hawthorn Woods, IL 60047
 Attention: Chief Operating Officer

With a copy to: Schain, Burney, Banks & Kenny, Ltd
70 W. Madison Street, Suite 4500
Chicago, IL 60602
Attention: Robert C. Kenny

If to North Barrington: Village of North Barrington
111 Old Barrington Road
North Barrington, IL 60010
Attention: _____

With a copy to: _____

Attention: _____

Section 15. Amendments. Except as expressly provided otherwise in this Agreement, this Agreement shall not be modified, changed, altered, amended, or terminated without the written and duly authorized consent of the County and the Villages.

Section 16. Owner's covenants. The County agrees to require the owner of the Subject Property , within 45 days of approval of the Pending Development Application, to record a covenant against the Subject Property that runs with the land to: 1) preclude video gaming on the Subject Property 2) require all new businesses to obtain a Change of Use Permit from the Lake County Planning, Building and Development Department and to condition issuance of such Change of Use Permit upon the business furnishing to the County copies of reports of Sales Tax and related forms filed with the IDOR showing and evidencing Sales Tax paid by such businesses during the applicable period and providing to the IDOR an authorization in a form acceptable to the IDOR for the release all gross revenue and other information to the County to allow a computation of the Sales Tax Revenue Payments (currently known as the "Illinois Department of Revenue Authorization to Release Sales Tax Information to Local Governments" referenced as PTAX-1002-21 (R-7/11); and, 3) effectuate the other owner's covenants required by this Agreement .

IN WITNESS WHEREOF, the Parties have caused these presents to be executed by their duly authorized corporate officers and have caused their corporate seals to be hereunto affixed all as of the day and year first above written.

VILLAGE OF HAWTHORN WOODS

By: _____
Its Mayor

Attest: _____
Village Clerk

VILLAGE OF NORTH BARRINGTON

By: _____
Its Village President

Attest: _____
Village Clerk

COUNTY OF LAKE

By: _____
Its Chairman

Attest: _____
County Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that Joseph Mancino and Donna Lobaito, personally known to me to be the Mayor and Clerk, respectively, of the Village of Hawthorn Woods, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Mayor and Clerk, they signed and delivered the said instrument as such Mayor and Clerk of said Village, and caused the corporate seal of said Village to be affixed thereto, pursuant to authority, given by the Board of Trustees of said Village as their free and voluntary act, and as the free and voluntary act and deed of said Village, for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2012.

Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that _____ and _____, personally known to me to be the Village President and Clerk, respectively, of the Village of North Barrington, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President and Clerk, they signed and delivered the said instrument as such President and Clerk of said Village, and caused the corporate seal of said Village to be affixed thereto, pursuant to authority, given by the Board of Trustees of said Village as their free and voluntary act, and as the free and voluntary act and deed of said Village, for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2012.

Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that _____ and _____, personally known to me the Board Chairman and Clerk, respectively, of the County of Lake, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Board Chairman and Clerk, they signed and delivered the said instrument as such Board Chairman and Clerk of said County, and caused the corporate seal of said County to be affixed thereto, pursuant to authority, given by the Lake County Board as their free and voluntary act, and as the free and voluntary act and deed to said County, for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2012.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF THE SUBJECT AREA

EXHIBIT B

CONDITIONS ON DEVELOPMENT OF SUBJECT PROPERTY
(Exhibit 1 from ZBA Findings)