

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
Akhan Semiconductor, Inc.

THIS AGREEMENT entered into by and between **Akhan Semiconductor, Inc.** hereinafter referred to as the **“Applicant,”** and **County of Lake** herein after referred to as the **“Taxing Body;”**

WHEREAS, the Taxing Body has the power to abate real property taxes pursuant to Section 200/18-165 of the Illinois Property Tax Code, as amended (35 ILCS 200/18-165); and

WHEREAS, the Taxing Body believes that it is in the best interest of their residents and taxpayers to attract new and diverse commercial and industrial businesses within the County in order to stimulate growth, encourage business expansion, and increase the assessed valuation within the County; and

WHEREAS, the Applicant will locate a technology company at 1020 Lakeside Drive, Gurnee, Illinois, herein after referred to as the “Property,” legally described in **Exhibit A** attached hereto and, by this reference, incorporated herein; and

NOW, THEREFORE, in consideration of the promises each to the other made, as hereinafter set forth and other good and valuable consideration, IT IS HEREBY UNDERSTOOD AND AGREED by and between the parties as follows;

I. RECITALS

The above recitals are incorporated into this Agreement as if they appeared in the body as numbered paragraphs.

II. AGREEMENT TO GRANT REAL PROPERTY TAX ABATEMENT

The Taxing Body agrees to provide real property tax abatements to the Applicant in accordance with Section 200/18-165 of the Illinois Property Tax Code and the terms of this Agreement.

III. TERMS OF THE AGREEMENT

A. Definition:

For the purposes of this Agreement:

“Applicant” shall mean Akhan Semiconductor, Inc.

“**Real Property Taxes**” shall mean all taxes levied or extended upon the Property and any improvements to the Property, including the taxes now existing or which may in the future exist.

“**Fully Assessed**” shall mean the Applicant has received an occupancy permit for the facility.

“**Sales Tax Year**” shall be defined as set forth in the Economic Development Agreement entered into between the Applicant and Taxing Body.

“Taxing Body” shall mean the County of Lake.

“Tax Year” shall mean from January 1 through December 31 of a given year.

B. Amount and Duration:

Starting in the tax year after the first year in which the Property including any improvements is fully assessed by the Township Assessor for the entire tax year, the Taxing Body shall, pursuant to 35 ILCS 200/18-165 as it may be amended subsequent to the effective date of this agreement, take any and all acts necessary to abate up to 50% or \$6,000.00, whichever is less, of its portion of the Real Property Taxes allocated to it for a period of five (5) years. As provided in 35 ILCS 200/18-165, the aggregate amount of the taxes abated to Applicant by the Taxing Body will not exceed \$30,000.00 over five (5) years.

This Agreement becomes null and void if the Property fails to be “fully assessed” within two years of the date of this Agreement, the Applicant transfers title, or does not become operational.

The Real Property Tax abatement for the following Tax Year will be forfeited if in any Sales Tax Year no County Sales Tax is generated from the Property.

The Applicant shall annually notify the Lake County Treasurer’s Office on or before March 15 during each of the five (5) years this Agreement is in effect of the application of the abatement of property taxes approved by the parties to this agreement until such agreement is terminated.

F. Compliance with Applicable Laws:

The Applicant shall not violate any environmental performance standard or environmental or building code, ordinance, rule, or regulation of the United States of America, the State of Illinois, the County of Lake, or the Village of Gurnee. Should the Applicant receive notice of any such violation and fail to cure the violation within thirty (30) days of the notice, the Taxing Body has the right to terminate the tax abatement. Upon such termination, the Applicant shall repay the Taxing Body in full to an amount of money equal to all Real Property Taxes that were previously abated by the Taxing Body pursuant to this agreement.

G. Termination:

The Taxing Body may terminate its tax abatement at any time in its sole discretion pursuant to the terms of this Agreement by providing notice to the Applicant in writing or by written agreement of both the Taxing Body and the Applicant.

IV. BINDING PARTIES

A. Guarantee of Authorization:

Each of the parties signing this Agreement represents, warrants, and guarantees to all the other parties that:

- (1) They are authorized to execute this Agreement on behalf of the party for whom they signed this instrument;
- (2) All the action(s) necessary, including, but not limited to corporate resolutions, ordinances and notices, to make this Agreement a lawful and binding agreement upon that party have been taken;
- (3) The performance of the transactions contemplated by the provisions of this Agreement, and the execution, issuance, delivery and performance of this Agreement to be executed and delivered by the Taxing Body and the Applicant have each been duly authorized by all the necessary actions on the part of each.

B. Effective Date:

This Agreement shall not be effective until all of the parties to this Agreement have in fact signed this Agreement and the effective date of this Agreement shall be the latest date that any one party actually signs and dates this Agreement.

C. No Assignment or Transfer:

The abatement is specifically granted to the Applicant and may not be assigned or transferred. In the event that the Applicant ceases operation or transfers title of the Property, the abatement shall immediately terminate.

D. Early Closure of Applicant's Facility:

The Applicant agrees that by signing this Agreement it agrees to remain in the facility on the Property for a minimum of 5 years. Should the Applicant fail to remain in the facility on the Property for a minimum of 5 years from the effective date of this Agreement, the Applicant shall repay to the Taxing Body 100% of the previously abated taxes. Should the Applicant not remain on the premises due to failure of the business, or product line, and not due to a business decision to relocate, Applicant shall receive no further abatements but will not be obligated to repay past abatements.

E. Real Property Valuation Protest

The Applicant recognizes that the Taxing Body has legitimate interests and concerns regarding the valuation and assessment of the Property for real estate tax purposes. Accordingly, the Applicant shall notify the Taxing Body prior to the commencement or initiation of any protest or appeal by the Applicant of the real property valuation of the Property established by the Township Assessor

F. Successors of Taxing Body:

This Agreement shall be binding upon the Taxing Body.

G. Communication Requirements:

All notices, requests, demands, waivers and other communications shall be in writing and shall be considered duly given three days following dispatch when deposited in the mail, certified or registered mail, postage prepaid, properly addressed to the party entitled to receive such notices at the addresses as follows:

Lake County Administrator's Office
18 N. County St. – 9th Floor
Waukegan, IL 60085

Akhan Semiconductor, Inc.
2300 Barrington Road, Suite 400
Hoffman Estates, IL 60195
Tel: 408-658-0029 Fax: 415-382-9567

Each party may designate a new place or places, or a new person or persons, for notice purposes, by providing thirty days written notice to all other parties.

H. Applicable Law:

This Agreement shall be interpreted and enforced according to the statutes and case law of the State of Illinois regardless of the later legal residence or domicile of the Applicant. Venue shall be in the Circuit Court of the 19th Judicial Circuit, Lake County, Illinois. The parties hereto waive any claim or defense that such venue is not convenient or proper.

I. Severability:

If any clause in this Agreement is deemed to be void or unenforceable, such clause shall be severed and the remaining provisions in this Agreement shall remain in full force and effect.

J. Entire Agreement/Amendment:

This Agreement constitutes the entire agreement of the parties and any alterations, amendments, or other changes to this Agreement shall be in writing, signed by the Taxing Body and the Applicant. This Agreement may be executed in several counterparts, all of which shall constitute the Agreement.

K. Captions and Paragraph Headings:

Captions and paragraph headings are for conveniences only and are not a part of this Agreement and shall not be used in construing it.

THE PARTIES TO THIS AGREEMENT by their signature acknowledges that they have read and understand this Agreement and intend to be bound by its terms.

COUNTY OF LAKE

BY:

CHAIR, COUNTY BOARD Date

ATTESTED:

COUNTY CLERK Date

AKHAN SEMICONDUCTOR, INC.

BY:

AUTHORIZED OFFICER Date

ATTESTED:

AUTHORIZED OFFICER Date