

**TERM SHEET FOR REDEVELOPMENT AGREEMENT  
REGARDING LAKE AND FOREST**

**THIS TERM SHEET** is entered into this \_\_\_ day of June 2008 by and between the Village of Oak Park (the “Village”) and Lake Street Investors, LLC, its successors and assigns (“the Developer”). The major business terms to be incorporated into a fully executed Redevelopment Agreement (RDA) between the Village of Oak Park and Lake Street Investors, LLC. shall include, if applicable, but shall not be limited to, the following:

1. Contact details for the parties to this Term Sheet are as follows:

Village: Village of Oak Park  
 Village Hall  
 123 Madison Street  
 Oak Park, Illinois 60301  
 Tel. 708 358 5770  
 Fax 708 358 5641  
 Attention: Thomas Barwin, Village Manager

Developer: Lake Street Investors, LLC  
 225 West Hubbard Street, Suite 600  
 Chicago, Illinois 60610  
 Tel. 312 410 9000  
 Fax 312 396 1001  
 Attention: Michael Glazier

2. Project Definition

Redevelopment of those parcels delineated in the site map in the attached **Exhibit 1** at the northeast corner of Lake Street and Forest Avenue in Oak Park, Illinois in accordance with one of the following preliminary development program alternates (which are subject to change as the design concept is elaborated):

**Alternate I**

**WITH HOTEL**

**FLOOR AREA ALLOCATION**

<u>Function</u>	<u>Gross Sf</u>	<u>%</u>	<u>Units/Keys</u>
Retail	29,537	5.89%	
Office	45,945	9.16%	
Hotel	85,294	17.00%	140
Residential	150,292	29.95%	70
Hotel/Office Parking	44,918	8.95%	
Residential Parking	37,800	7.53%	
Public Parking	<u>108,000</u>	<u>21.52%</u>	
Total	<u>501,786</u>	<u>100.00%</u>	

**PARKING ALLOCATION**

<u>Function</u>	<u>Required No. Spaces</u>
Retail	Incl. in Public Spaces
Office	78
Hotel	47
Residential	105
Public Parking	<u>300</u>
	530
Residential Units	70
Average Unit nsf	1,825

**Alternative II**

**WITHOUT HOTEL  
FLOOR AREA ALLOCATION**

<u>Function</u>	<u>Gross Sf</u>	<u>%</u>	<u>Units/Keys</u>
Retail	29,537	5.51%	
Office	45,945	8.57%	
Res. Rental	85,294	15.91%	70
Res. For Sale	150,292	28.03%	70
Office Parking	53,707	10.02%	
Residential Parking	63,388	11.82%	
Public Parking	<u>108,000</u>	<u>20.14%</u>	
Total	<u>536,163</u>	<u>100.00%</u>	
Residential Units			

**PARKING ALLOCATION**

<u>Function</u>	<u>Required No. Spaces</u>
Retail	Incl. in Public Spaces
Office	78
Res. Rental	71
Res. For Sale	105
Public Parking	<u>300</u>
	554
Residential Units	140
Average Unit nsf	1,683

3. Public Assistance

The Parties hereby acknowledge that the inclusion of a hotel in the development program may require some level of public assistance in the form of any of the following:

- a. Tax Increment Financing;
- b. Land Write-down for the Village land contribution;
- c. Hotel Tax rebate; or
- d. Other public assistance agreed to by the parties.

The amount, form and timing of such assistance shall be agreed to in the RDA. The Parties agree that the amount and timing of such financial assistance may be conditioned upon the audited financial performance of the hotel.

4. Required Land Assemblage:

Legal description/parcel surveys of necessary land acquisition to implement the envisioned program noted in para 2 are attached hereto as **Exhibit 2**. The “Terms and Conditions” of all the relevant Purchase Agreements with adjacent property owners are attached hereto as **Exhibit 3**.

Developer and Village each owns and or controls certain land that each will contribute to the required land assemblage. The Village shall convey its land to the Developer at closing for the agreed upon market value (as further described in 5 below). Developer shall convey back to Village, upon completion of the project contemplated herein and more specifically to be approved in the Redevelopment Agreement that is to follow this Term Sheet, the public parking portion(s) of the development.

5. Value for Project land

The agreed upon market value of all Project land shall be based upon an appraisal prepared by a qualified appraiser acceptable to the parties, which shall be based on a common approach applicable to all Project land. All Project land may be appraised as presently developed, as undeveloped or by some combination of the above as agreed to by the parties, but all Project land shall be appraised in the same manner.

6. Village cost for Public Parking (or formula):

The cost of the Public Parking component of the project shall be the sum of the following:

- a. Allocated share of the total project land cost.

The allocated share of the total project land costs shall be calculated in accordance with the following formula: i) the gross constructed floor area of the public parking area divided by the total gross constructed floor area of the project; times ii) the project land costs. Project land costs shall be equal to the agreed upon market value of the assembled land parcels.

- b. The direct construction costs of the public parking component of the project.
- c. Allocated share of the project soft costs to be determined, including design, demolition and site preparation permitting, environmental, insurance, development overhead, legal, professional, financing, interest and contingency.

The maximum cost to the Village shall not exceed \$25,000 per parking space less a credit for the value of the Village's excess land contribution unless otherwise agreed to by the Parties.

7. Village Approvals:

The Developer must obtain the following governmental approvals to proceed with the development project:

- a. RDA and related documents
- b. Planned Unit Development
- c. Building Permit(s)

8. Conditions Precedent to Closing:

For Developer:

- a. Land Use (PUD, Subdivision, etc)
- b. Operating and Easement Agreement
- c. Building Permit
- d. Evidence of Financing

For Village:

- a. Evidence of funding for its costs
- b. Any environmental issues.

9. Village Funds at Closing/ Construction Escrow/ Acceptance of Public Improvements:

- a. Village obligation to meet construction financing timeline (without preconstruction escrow of all construction costs.)
- b. Monthly construction draws (VOP to fund its share at every draw; penalty for failure to

- fund; deposit prior to construction start)
- c. Inspection/Reporting during construction
- d. Final inspection/Punch list/reconveyance deed in escrow

10. Covenants Running with the land: *if any*.

RDA shall run with the land until obligations thereunder have been fulfilled.

Developer obligations include:

- a. Construction in accordance with RDA/PUD
- b. Construction Start and Completion
- c. Construction Hours (M-F: 7 to 6, Sat: 8 to 5, Sunday and later hours only after enclosed)
- d. Tenants to report retail sales tax to Village
- e. Staging

Term of Agreement: Until complete and get certificate of completion from Village, need recorded document.

11. Subordination Agreement: *if any*.

None: Recording of RDA would have priority over financing. Mortgage holder has no obligation to construct.

12. Other Provisions precedent to construction start:

- a. Environmental – TBD
- b. Bids
- c. Performance Bond, if any, released at completion
- d. Financing - requirement only to prove-up financing “plan” but developer can terminate if it fails to secure
- e. Provide Village with retail space marketing plan.

13. Design: Prior to the execution of RDA and prior to submission to applicable approval bodies, the Developer shall submit a building design plan and site layout. Consistent with Village practice this shall occur through a series of presentations which shall include a presentation to the general public, a Village Board appointed committee and the Village Board. The building design plan and site layout must be a building design and site layout acceptable to the Village and shall be guided by the following:

The Board of Trustees recognizes the site as important in the overall scheme of Village development and therefore requires that the architectural design be of the “highest quality.” Highest quality is defined as an architectural solution that is “signature,” i.e. it shall be unique, creative and progressive yet respectful of the immediate neighborhood context. Solutions that deliberately replicate past design styles or that are viewed as “faddish” or “trendy” are not appropriate.

The Village will condition its approval of the RDA on an acceptable design and accordingly will participate in and comment on the design concept elaborated by the Developer’s architectural team. In such role, the Village may request modifications to the design to achieve an acceptable concept.

14. Project Benchmarks (sequential):	<u>Target Date</u>
Term Sheet Approval:	June 2, 2008
Term Sheet Execution:	June 9, 2008
RDA Approval:	45 days from Term Sheet Approval
Program Submission:	Completed
Program Approval:	Completed
Design Submission (to JV):	+60 days from Term Sheet Approval
Design Approval (by JV):	+ 90 days from Term Sheet Approval
RDA Approval:	+120 days from Term Sheet Approval
PUD & other land use submissions:	+ 120 days from Term Sheet Approval
Other:	TBD
Financing (both parties):	TBD
Permit submission:	TBD
Permit approval:	TBD
Closing:	TBD
Construction Start:	TBD
Construction Completion:	TBD

15. Progress Reports: ***Communication – nature, frequency and individuals responsible to send and receive – from Developer to Village/from Village to Developer indication progress against benchmarks est in para 14.***

16. Provisions/Penalties for Non-Performance: ***Terms and conditions applicable to both parties as to failure to meet required performance mandates.***

Developer carrying costs and out-of-pocket expenses (interest on debt, taxes, insurance, professional fees (legal, arch., eng., other consultants))

17. Event(s) of Default:

Non-payment of costs when due  
 Non-performance by scheduled dates  
 Standard events (bankruptcy, etc.)

18. Village Remedies upon Default: ***Provisions for Acquisition of Replacement Parking Spaces in event of Default by Developer prior to completion and conveyance of improvements; other terms/conditions/penalties/remedies available to Village upon Default of private program components.***

19. Developer Remedies upon Default/Limits on Developer Action:

20. Other Fundamental Requirements:

21. Real Estate Tax provisions:

A tax division of the assembled Project land and improvements shall be determine through a separation of premises or other similar legal conveyance upon completion of the Project at the earliest possible time.

22. Escrow Agreements:

The RDA shall establish a projected closing date for the conveyance of the Village-owned parcel to the Developer. At the time of conveyance of the Village Parcel to the Developer, the Developer shall deposit into an agreed-upon joint order escrow, a deed reconveying the public parking portion of the Project to the Village upon completion of same.

23. Title Company:

Chicago Title and Trust or such other reputable title insurance company as the parties may agree to.

24. Garage Operating and Easement Agreement

The Parties shall enter into a joint operating and easement agreement concerning the operation and maintenance of the public and private portions of the Project’s garage in order to minimize cost and maximize efficiency for both Parties.

25. Termination

Either Party may terminate this agreement by written notice to the other 30 days in advance of the intended effective date for such termination.

26. Confidentiality

The Parties acknowledge that the RDA and the public approvals contemplated herein shall be open to the general public and that, except for Developer’s land information or other Developer proprietary information, such information being disclosed is agreed to upon submission of the relevant information by the Developer and consented to by the Village. The Parties recognize the obligation of the Village to disclose the general terms of this Agreement to the public but shall not disclose anything concerning the Developer’s land or such other confidential information.

**THIS TERM SHEET IS AGREED THIS \_\_\_ DAY OF JUNE 2008**

**VILLAGE OF OAK PARK**

**LAKE STREET INVESTORS, LLC**

BY:  
ITS:

BY:  
ITS: