

Village Of South Barrington

RESOLUTION NO. R-2004- 615

**A RESOLUTION AUTHORIZING AN
INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN
THE VILLAGE OF SOUTH BARRINGTON AND
THE SOUTH BARRINGTON PARK DISTRICT
FOR THE ACQUISITION OF AREAS C AND N
OF THE WOODS OF SOUTH BARRINGTON**

WHEREAS, the Village of South Barrington, in accordance with a Consent Decree in the Woods of South Barrington litigation, is allowed to exercise options for the purchase of Areas C and N in the Klehm Woods of South Barrington; and

WHEREAS, the Village is further allowed by said Consent Decree to assign the rights of the purchase options; and

WHEREAS, the Village wishes to enter into an Intergovernmental Agreement (a copy of which is attached to this resolution as Exhibit A) with the South Barrington Park District to assign the Village purchase options to the South Barrington Park District.

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of South Barrington as follows:

SECTION 1. The Village President and Village Clerk are authorized to execute the "Intergovernmental Agreement By And Between The Village of South Barrington and the South Barrington Park District for the Acquisition of Areas C and N of the Woods Of South Barrington" which is Exhibit A of this Resolution.

SECTION 2. This Resolution shall be in full force and effect from and after its passage and approval as required by law.

PASSED: This 2nd day of March, 2004


APPROVED: This 8th day of March, 2004

ATTEST:

APPROVED:



Donna Wilkins Wood, Village Clerk



Frank J. Munao, Jr., Village President

AYES: 4 NAYS: 1 ABSTAIN: 1 ABSENT: 0

Village of South Barrington

Resolution No. R-2004-615

EXHIBIT A

**INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN
THE VILLAGE OF SOUTH BARRINGTON AND
THE SOUTH BARRINGTON PARK DISTRICT
FOR THE ACQUISITION OF AREAS C AND N
OF THE WOODS OF SOUTH BARRINGTON**

**INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN
THE VILLAGE OF SOUTH BARRINGTON AND
THE SOUTH BARRINGTON PARK DISTRICT
FOR THE ACQUISITION OF AREAS C AND N
OF THE WOODS OF SOUTH BARRINGTON**

This Agreement is made effective this 10th day of March, 2004, by and between the VILLAGE OF SOUTH BARRINGTON (the "Village") and the SOUTH BARRINGTON PARK DISTRICT (the "Park District"). From time to time, this Agreement will refer to the Village or the Park District individually as a "Party" and to the Village and Park District collectively as the "Parties".

WHEREAS, the Village is a home rule municipality organized and operating pursuant to the Illinois Municipal Code, 65 ILCS 5/1-1-1 et seq. and the Illinois Constitution of 1970; and

WHEREAS, the Park District is a park district organized and operating pursuant to the Park District Code, 70 ILCS 1205/1-1 et seq.; and

WHEREAS, the Village and the Park District are authorized to contract and associate among themselves for the purpose of intergovernmental cooperation, pursuant to Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq.; and

WHEREAS, Woods of South Barrington, LLC ("Woods") annexed and sought to develop certain property within the Village commonly referred to as Woods of South Barrington (the "Woods Property") pursuant to an Annexation Agreement, dated January 11, 2001 (the "Annexation Agreement") and the Preliminary Planned Unit Development Ordinance, dated January 11, 2001 (the "PUD Ordinance"); and

WHEREAS, the Woods was a plaintiff and the Village was a defendant in a lawsuit concerning the Woods Property pending before the Circuit Court of Cook County, Illinois, County Department, Chancery Division entitled the Woods of South Barrington, et al., Plaintiffs vs. The Village of South Barrington, Defendant, bearing case number 01 CH 14950 (the "Lawsuit"); and

WHEREAS, on December 16, 2003, the Village passed Ordinance O 2003-701, which authorized the Village President on behalf of the Village to enter into a Consent Decree (the "Consent Decree") to resolve and settle the Lawsuit, attached hereto as Exhibit A and made a part hereof; and

WHEREAS, on December 19, 2003, the Consent Decree was executed by the Parties and entered by the Circuit Court of Cook County, Illinois which resolved and settled the Lawsuit; and

WHEREAS, pursuant to Section 3.J. of the Consent Decree, Woods granted the Village options to purchase the unimproved real property located in the areas designated as Area C ("Option C") and Area N ("Option N") (collectively the "Options") of the Woods Property, subject to all applicable covenants, restrictions and easements provided in the Annexation Agreement annexing the Woods Property to the Village; and

WHEREAS, the Village has the right, in its sole discretion, to assign Option C and/or Option N and its rights and obligations relating to Option C and/or Option N to the Park District; and

WHEREAS, the Options expire at 11:59 p.m. (CST) on March 18, 2004; and

WHEREAS, the Village and the Park District believe that the acquisition by the Park District of Area C and/or Area N of the Woods Property is in the best interests of the Parties; and

WHEREAS, the Park District, in connection with the acquisition of Area C and/or Area N of the Woods Property, hereby requests that the Village hold any hearings and conduct the necessary proceedings for the zoning district map amendment, text amendment, special use, planned unit development and/or other necessary approvals from the Village; and

WHEREAS, it is the desire of the Parties that the Park District's development and improvement of Area C and/or Area N of the Woods Property occur in accordance with the ordinances, codes and regulations of the Village, as currently or may exist; and

WHEREAS, notice of any public hearing for any map amendment, text amendment, special use permit, planned unit development, or any other reason as required by the Village's Zoning Ordinance, other ordinance or applicable law, shall be given in the manner provided by law and hearings held as are prescribed by the relevant provisions of the Illinois Municipal Code and the Village's codes and ordinances.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Village and Park District hereby covenant and agree as follows:

1. The aforesaid recitals are incorporated as a part of this Agreement and as though fully set out herein.
2. The Village shall, on or before March 11, 2004:
 - a. authorize and execute the exercise of Option C, in accordance with the Consent Decree, pursuant to the form of Notice of Exercise of Option C, attached hereto as Exhibit B and made a part hereof ("Option C Notice").
 - b. authorize and execute the Conditional Assignment and Assumption of Option C to the Park District, in the form attached hereto as Exhibit C and made a part hereof ("Option C Assignment").
3. The Village shall, on or before March 11, 2004:
 - a. authorize and execute the exercise of Option N, in accordance with the Consent Decree, pursuant to the form of Notice of Exercise of Option N, attached hereto as Exhibit D and made a part hereof ("Option N Notice").

b. authorize and execute the Conditional Assignment and Assumption of Option N to this Park District, in the form attached hereto as Exhibit E and made a part hereof ("Option N Assignment").

4. The Park District shall, on or before March 15, 2004, authorize, execute and deliver to the Village acceptance of the Option C Assignment, along with the non-refundable deposit of \$25,000.00, which shall then be delivered by the Village to Woods ("Option Delivery Date"), but in no event later than 11:59 p.m. (CST) on March 18, 2004. In the event the Park District fails to authorize, execute and deliver to the Village its acceptance of the Option C Assignment, the Village shall have no obligation, but reserves the right at its sole option and election, to proceed with the exercise of the Option C and subsequent closing, as may be provided herein.

5. The Park District shall, on or before March 15, 2004, authorize, execute and deliver to the Village acceptance of the Option N Assignment, along with the non-refundable deposit of \$25,000.00, which shall then be delivered by the Village to Woods ("Option Delivery Date"), but in no event later than 11:59 p.m. (CST) on March 18, 2004. In the event the Park District fails to authorize, execute and deliver to the Village its acceptance of the Option N Assignment, the Village shall have no obligation, but reserves the right at its sole option and election, to proceed with the exercise of the Option N and subsequent closing, as may be provided herein.

6. Upon the delivery by the Village of the Option C Notice and/or Option N Notice on the Option Delivery Date, the Park District shall commence to diligently pursue securing the necessary funds to acquire Area C and/or Area N. The Park District shall, prior to seventy-five (75) days after the Option Delivery Date, deposit into an escrow with the title company the Area C and Area N purchase prices, as follows:

Option C Only	\$2,210,000.00*
Option N Only	\$2,850,000.00*
Option C and N	\$4,200,000.00*

*less earnest money previously deposited

7. In the event the Park District fails to deposit the required purchase price for Option C within the time frame as provided for in paragraph 6 above, the Park District shall be deemed to have waived its rights to acquire Area C, and shall be deemed to have offered to the Village, which the Village may accept or decline, at the Village's sole discretion and option, the right to acquire Area C within ninety (90) days of the Option Delivery Date, pursuant to the Consent Decree.

In the event the Park District fails to deposit the required purchase price for Option N within the time frame as provided for in paragraph 6 above, the Park District shall be deemed to have waived its rights to acquire Area N, and shall be deemed to have offered to the Village, which the Village may accept or decline, at the Village's sole discretion and option, the right to acquire Area N within ninety (90) days of the Option Delivery Date, pursuant to the Consent Decree.

8. In the event the Park District acquires Area C and/or Area N, the Park District shall take ownership subject to the rights, duties and obligations of the Annexation Agreement, the PUD Ordinance, the PUD Ordinance Amendment, the Consent Decree and this Agreement.

9. The Village has filed a petition for amendment of the preliminary planned unit development plan of the Woods property for Areas C and N, and the Village agrees hereafter to adopt the necessary ordinance or ordinances to amend the Planned Unit Development Ordinance consistent with the Consent Decree and this Agreement to allow the property to be used for Park purposes.

10. The Park District intends to improve Area C and Area N as generally shown in the PUD Ordinance Amendment and, in the event the Park District should acquire Area C and/or Area N, the Park District agrees to the following conditions:

a. Until January 1, 2009, the Park District agrees to construct no buildings and/or structures on Area N. After January 1, 2009, Area N shall be subject to the Klehm Woods Planned United Development as amended by Community Development Guidelines and Development Design Guidelines.

b. Area C and/or Area N will be used for those park and recreational purposes legally permitted under the Park District Code (70 ILCS 1205/1-1, *et seq.*), which restriction shall be deemed a covenant running with the land. The covenant shall be for the exclusive benefit of and may be waived or modified by the Village.

11. Upon a breach of this Agreement, either Party, in any court of competent jurisdiction, by an action or proceeding at law or in equity, may petition the court for specific performance of the covenants and agreements herein contained, and rescission of the Agreement, and damages on account of the other's breach. Before the failure of any Party to perform hereunder shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing, the other Party of the alleged failure to perform and shall demand performance within a reasonable time. No breach of this Agreement may be found to have occurred if substantial performance is commenced within thirty (30) days of receipt of such notice.

12. If any provision, covenant, term or portion of this Agreement or its application to any person, entity or property is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants or portions of this Agreement, and to that end, all provisions, covenants, terms and portions of this Agreement are declared to be severable.

13. This Agreement supersedes any and all prior agreements or negotiations for this Agreement, and is a full integration of the entire agreement of the Parties.

14. Any notice or demand hereunder from any Party hereto to another Party hereto shall be in writing and shall be deemed duly served if mailed by prepaid registered or certified mail, addressed as follows:

If to the Village:

Village Administrator
VILLAGE OF SOUTH BARRINGTON
30 South Barrington Road
South Barrington, IL 60010

If to the Park District:

The Director
South Barrington Park District
Three Tennis Club Lane
South Barrington, IL 60010

15. This Agreement shall be binding upon the Parties and their respective successors and assigns.

16. Upon closing by the Park District of Area C and/or Area N, the Parties shall execute a Memorandum of this Agreement, which Memorandum shall promptly be recorded against the properties affected hereby by the Village in the Office of the Cook County Recorder of Deeds. The terms and conditions contained in this Agreement shall be deemed covenants running with the land.

17. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first written above.

SOUTH BARRINGTON PARK DISTRICT:

VILLAGE OF SOUTH BARRINGTON

By: 
Park District President

By: 
Village President

Attest: 
Secretary

Attest: 
Village Clerk

EXHIBIT A
CONSENT DECREE

(See Attached)

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

THE WOODS OF SOUTH BARRINGTON, et al.)
)
 Plaintiffs,)
)
 v.)
)
 THE VILLAGE OF SOUTH BARRINGTON,)
)
 Defendant.)

Case No.: 01 CH 14950
Hon. Richard A. Siebel

CONSENT DECREE

This cause coming to be heard upon the agreement of the Parties (as the term "Parties" is defined below) and the Court being advised in the premises and being informed by the Parties that they have settled all matters in controversy arising out of the events alleged in this captioned lawsuit (the "Lawsuit");

WHEREAS, the Plaintiffs herein are The Woods of South Barrington, LLC ("Woods"), Klehm Properties, Inc., First American Bank, as Trustee under Trust Agreement dated August 22, 2003, and known as Trust No. 1-03-114, First American Bank, as Trustee under Trust Agreement dated August 22, 2003, and known as Trust No. 1-03-115, First American Bank, as Trustee under Trust Agreement dated August 22, 2003, and known as Trust No. 1-03-116, First American Bank, as Trustee under Trust Agreement dated August 22, 2003, and known as Trust No. 1-03-117, and First American Bank, as Trustee under Trust Agreement dated August 22, 2003, and known as Trust No. 1-03-118 (the preceding land trusts are collectively referred to herein as the "First American Land Trusts" and all of the preceding entities, including Woods, are collectively referred to herein as the "Plaintiffs"); and

WHEREAS, the Defendant herein is The Village of South Barrington (the "Village"); and

WHEREAS, on January 11, 2001, the Village enacted Ordinance Number 2001-620 (the "Execution Ordinance") which, among other things, authorized the Village to enter into that certain Annexation and Development Agreement (the "Annexation Agreement") with the Plaintiffs; and

WHEREAS, on January 11, 2001, the Village executed and entered into the Annexation Agreement with the Plaintiffs which was filed with the Cook County Recorder of Deeds for recordation on January 19, 2001 as document number 0010049341; and

WHEREAS, the Annexation Agreement, among other things, granted Woods certain rights to develop and improve the real property (the "Property") described in the Execution

Ordinance; and

WHEREAS, on January 11, 2001, the Village enacted Ordinance Number 2001-621 (the "Annexation Ordinance") which, among other things, annexed approximately 484 acres of the Property to the Village; and

WHEREAS, on January 11, 2001, the Village enacted Ordinance Number 2001-622 (the "Approvals Ordinance") which, among other things, rezoned the Property and approved Woods' Preliminary Plan of Planned Unit Development for the Property; and

WHEREAS, on January 11, 2001, the Village enacted Resolution Number 2001-431 (the "Sales Resolution") which, among other things, authorized the Village to sell a five (5) acre parcel of real property described in the Sales Resolution to Woods which is included in the Property; and

WHEREAS, on August 21, 2001, the Village enacted Ordinance Number 0-2001-643 (the "Rescission Ordinance") which, among other things, voided the Execution Ordinance, the Annexation Agreement, the Annexation Ordinance, the Approvals Ordinance and the Sales Resolution; and

WHEREAS, on September 7, 2001, the Plaintiffs filed the Lawsuit against the Village;
and

WHEREAS, on December 16, 2003, the Village enacted Ordinance Number 0-2003-701 entitled an Ordinance authorizing the execution of a Consent Decree in this Lawsuit; and

WHEREAS, in order to avoid the further expense and diversion of resources which the Lawsuit has entailed, the Plaintiffs and the Village (collectively the "Parties") desire to completely resolve and settle all matters in the Lawsuit.

NOW, THEREFORE, UPON THE AGREEMENT OF THE PARTIES, the Court finds as follows:

1. That the Court has jurisdiction of the subject matter of this action and the Parties and has jurisdiction and authority to enter this Consent Decree.
2. That this Consent Decree shall apply to, and affect, the Parties, their successors in interest, the subject matter of this Lawsuit and the Property.
3. That the Parties agree as follows:
 - A. That the statements and representations contained in the foregoing recitals are true and accurate.
 - B. That an order be entered declaring: (i) the Rescission Ordinance is void *ab initio*; (ii) the Execution Ordinance is valid, enforceable and binding upon the Village; (iii) the Annexation Agreement is valid, binding and enforceable upon the Parties; (iv) the Annexation Ordinance is valid,

binding and enforceable upon the Village; (v) the Approvals Ordinance is valid, binding and enforceable upon the Village; (vi) the Sales Resolution is valid, binding and enforceable upon the Village; and (vii) except for the seven-year period referenced in Section 17.d of the Annexation Agreement, all time periods provided in the Annexation Agreement for performance by either the Plaintiffs or the Village shall be tolled from August 21, 2001 until 30 days after the entry of this Consent Decree.

- C. Woods shall not exercise, and hereby permanently and irrevocably waives, its rights under the Annexation Agreement and the Approvals Ordinance to construct the 150 unit Assisted Living Facility described in the Approvals Ordinance. Prior to the sale of any of the Property, Woods shall cause to be recorded against title to the Property, or applicable portions thereof, one or more declarations, substantially in the form attached hereto as Exhibit A, which prohibit the construction of the 150 unit Assisted Living Facility.
- D. Woods shall not exercise, and hereby permanently and irrevocably waives, its rights under the Annexation Agreement and the Approvals Ordinance to construct forty (40) dwelling units included in the Community Development Guidelines attached hereto as Exhibit B (the "Community Development Guidelines"). Woods shall have the sole and exclusive discretion to choose which forty (40) dwelling units to eliminate from the Community Development Guidelines, *provided, however*, that 20 dwelling units shall be selected from the areas designated in the Community Development Guidelines as Area F, Area G, and Area I and the remaining 20 dwelling units shall be selected from any area designated in the Community Development Guidelines, except that no such dwelling units shall be eliminated from the areas designated in the Community Development Guidelines as Area C, Area D, Area J, and Area H; and, if the Village exercises its option [See Subsection J of this Section 3] to purchase either or both Area B and/or Area N, no such dwelling units shall be eliminated from such Area B and/or Area N so purchased by the Village. Woods shall designate the forty (40) dwelling units to be eliminated prior to the issuance of any building permits for any homes on the Property. Prior to the sale of any of the Property, Woods shall cause to be recorded against title to the Property, or applicable portions thereof, one or more declarations, substantially in the form attached hereto as Exhibit C, which prohibit the construction of the forty (40) dwelling units designated by Woods.
- E. Woods shall not exercise, and hereby permanently and irrevocably waives, its rights under the Annexation Agreement and the Approvals Ordinance to obtain the issuance of the Bonds and the Tax Exempt Financing described in Section 10 of the Annexation Agreement, *provided, however*, that Woods shall remain obligated to pay the sewer connection fees to the Village as described in Section 4.d of the Annexation Agreement and to

make the \$500,000.00 contribution to the Village as described in Section 17.c.(1) of the Annexation Agreement. Nothing herein shall be deemed or construed to amend or modify the rights and obligations of the Parties under Sections 4, 5, 6 and 7 of the Annexation Agreement (other than those which relate directly to the issuance of the Bonds and the Tax Exempt Financing) or to amend or modify the Village's obligations under Section 10.c of the Annexation Agreement not to (i) levy against any real or personal property within the Property, any special assessment or special tax for the cost of any improvements in or for the benefit of the Property; or (ii) undertake any local improvements in, on or for the benefit of the Property pursuant to the imposition of a special assessment or special tax against the Property, or any portion thereof; or (iii) levy or impose additional taxes on the Property, in the manner provided by law for the provision of special services to the Property or to an area in which the Property is located or for the payment of debt incurred in order to provide such special services.

- F. Woods shall not exercise, and hereby permanently and irrevocably waives, any rights it may have under the Annexation Agreement to provide sanitary sewer improvements and water improvements which are not sufficient to provide sewer and water service to the Rose School located on Penny Road, and Woods shall construct, at its sole cost, the sanitary sewer improvements authorized by Section 4 of the Annexation Agreement and the water improvements authorized by Section 5 of the Annexation Agreement in such a manner that such sanitary sewer improvements and water improvements are capable of providing full sewer and water service to the Rose School located on Penny Road. In addition, Woods shall not exercise, and hereby permanently and irrevocably waives, its rights under the Annexation Agreement not to pay any additional impact fees for the benefit of Barrington Unit School District 220 than are set forth in the Annexation Agreement and, upon the issuance of the 100th certificate of occupancy for dwelling units upon the Property, Woods shall pay an impact fee in the amount of \$250,000.00 for the benefit of Barrington Unit School District 220. The payment of this impact fee is in addition to and does not amend or limit the impact fee payable pursuant to the provisions contained in Section 17.b of the Annexation Agreement.
- G. Woods shall not exercise, and hereby permanently and irrevocably waives, its rights under the Annexation Agreement to require the Village to be responsible for the cost of the maintenance of the road improvements designated in Area E of the Community Development Guidelines for a period of 20 years. For the 20-year period commencing on the date of the completion of the roadway improvements, Woods, or, at Woods' sole option, any homeowners' association formed by the homeowners located on the Property, shall reimburse the Village for its cost of the maintenance

and repair the public road located in Area E of the Property as designated in the Community Development Guidelines.

- H. Woods shall not exercise, and hereby permanently and irrevocably waives, it rights under the Annexation Agreement not to pay any impact fee to the Barrington Countryside Fire Protection District, and, upon the issuance of the 100th certificate of occupancy for dwelling units on the Property, Woods shall pay an impact fee in the amount of \$250,000.00 to the Barrington Countryside Fire Protection District.
- I. (Intentionally omitted).
- J. Woods hereby grants the Village options to purchase the unimproved real property located in either or both the areas designated in the Community Development Guidelines as Area B ("Option B") Area C ("Option C") and Area N ("Option N") subject to all applicable covenants, restrictions and easements provided in the Annexation Agreement, except as set forth in this Consent Decree.
 - i. The purchase price for the each area shall be: For Area B, \$3,000,000; for Area C, \$2,210,000; and for Area N, \$2,850,000. If the Village exercises both Option C and Option N to purchase both Area C and Area N, the purchase price for both Area C and Area N combined shall be \$4,200,000.
 - ii. If not sooner exercised, Option B shall expire 90 days after the entry of this Consent Decree. If not sooner exercised, Option C shall expire 90 days after the entry of this Consent Decree. If not sooner exercised, Option N shall expire 90 days after the entry of this Consent Decree.
 - iii. The Village shall exercise Option B only by delivering to Woods the Notice attached hereto as Exhibit D, accompanied by a non-refundable \$25,000.00 deposit.
 - iv. The Village shall exercise Option C only by delivering to Woods the Notice attached hereto as Exhibit E, accompanied by a non-refundable \$25,000.00 deposit.
 - v. The Village shall exercise Option N only by delivering to Woods the Notice attached hereto as Exhibit F, accompanied by a non-refundable \$25,000.00 deposit.
 - vi. Upon Notice given pursuant to Section 25.h of the Annexation Agreement, the Village shall have the right, in its sole discretion, to assign to the South Barrington Park District (the "Assignee") Option C and/or Option N along

with the Village's corresponding rights and obligations as to those options. In the event the Village makes such an assignment, the Village shall have no further obligation with respect to Area C and/or Area N, as the case may be, including but not limited to no further obligation to close and/or pay the purchase price, whether or not such assigned option is subsequently exercised by the South Barrington Park District.

- vii. In the event the Village or its Assignee exercises any or all of Option B, Option C or Option N, then the Village or its Assignee, as the case may be, shall be obligated to close the purchase of Area B, Area C and/or Area N, as the case may be, and pay the balance of the purchase price(s) within 90 days of the exercise of Option B, Option C and/or Option N, in accordance with the terms set forth in such Notice.

- viii. In the event the Village or its Assignee, as the case may be, closes on the purchase of any or all of Area B, Area C or Area N, it is not anticipated that the Village or its Assignee, as the case may be, will utilize the Sanitary Sewer Improvements and/or the Water Improvements as provided in Sections 4 and 5 of the Annexation Agreement. However, in the event the Village or its Assignee, as the case may be, purchases any or all of Area B, Area C or Area N, Woods waives its rights under the Annexation Agreement to use such Area so purchased for Sanitary Sewer Improvements and Water Improvements and, instead shall install a trunk sewer line and water main adjacent to such Area so purchased in order to serve the rest of the Property with Sanitary Sewer Improvements and Water Improvements. In addition, after its purchase of an Area, if the Village or its Assignee, as the case may be, taps into such trunk sewer line and water main to serve such Area with Sanitary Sewer Improvements and Water Improvements, then it may do so without charge and without paying any costs of recapture, however:
 - a. The Village or its Assignee, as the case may be, shall pay its proportionate share of the cost of the operation and maintenance of the Sanitary Sewer Improvements and/or the Water Improvements as provided in the Annexation Agreement, if it utilizes the service of either; and
 - b. The Village or its Assignee, as the case may be, shall pay its proportionate share of the cost of the operation and maintenance of the Storm-water

Improvements and the wetland mitigation as provided in the Annexation Agreement.

- ix. In the event the Village or its Assignee, as the case may be, closes on the purchase of either or all of Area B, Area C or Area N, the Village may permit any or all of the land so purchased to be used, in its sole discretion, for any use allowable or permitted under its zoning regulations, even though such uses may contravene the uses allowed or permitted under the terms of the Annexation Agreement and/or the Approvals Ordinance.
 - x. The Parties shall take such additional actions as may be necessary to implement their agreements in this Subsection J.
- K. Woods hereby permanently and irrevocably waives its rights under the Annexation Agreement and the Approvals Ordinance to own those certain portions of the Property designated as Outlot A and Outlot C on Exhibit G attached hereto. Upon the Village's approval of the Final Plat of Subdivision for the Property, Woods shall cause those certain portions of the Property designated as Outlot A and Outlot C on Exhibit G attached hereto (with such insubstantial modifications as may be agreed in such Final Plat of Subdivision) to be conveyed to the Village, *provided, however,* that: (i) Woods shall retain the right to perform wetland mitigation and to construct the Stormwater Improvements on those certain portions of the Property designated as Outlot A and Outlot C on Exhibit G attached hereto, as provided for in Section 6 of the Annexation Agreement; and (ii) the Village shall grant any and all easements over Outlot A and Outlot C which are necessary for the development of the Property pursuant to the terms of the Annexation Agreement.
- L. Within 30 days after the entry of this Consent Decree, Woods, at its sole cost and expense, shall cause a copy of this Consent Decree, without its exhibits, to be filed with the office of the Cook County Recorder of Deeds for recordation against the title to the Property.
- M. The Parties shall each bear their own respective attorneys' fees and costs relating to, arising from, or connected in any way with, the Lawsuit, including, but not limited to, all costs relating to the negotiation, execution and implementation of this Consent Decree.
- N. Immediately upon the entry of this Consent Decree, the rights and obligations of both Parties under the Annexation Agreement, including, but not limited to, the payment of impact fees to the Village, shall be reinstated, other than those rights expressly waived herein.
- O. The waivers of the Plaintiffs' rights contained in this Consent Decree are

not a modification or amendment of any provision of the Annexation Agreement.

- P. Time is of the essence in the performance of the obligations imposed upon the Parties to this Consent Decree, and the Village shall cooperate in the obtaining of all necessary third-party approvals and permits.
- Q. Nothing contained in this Consent Decree shall be construed as an admission of liability by any Party hereto or a characterization of the merits of any claims settled hereby.
- R. The terms of this Consent Decree, including but not limited to the waivers contained herein, shall be binding upon Woods, the Village and their respective successors and assigns; and the Parties shall have the right to enforce this Consent Decree in this Court. In the event that any action or other proceeding is brought by any of the Parties hereto to enforce the terms of this Consent Decree, the prevailing Party shall be entitled to recover from the non-prevailing Party the prevailing Party's reasonable attorneys' fees and costs incurred in the action, in addition to such other relief as the prevailing Party may otherwise be entitled to receive.
- S. The failure of either Party to exercise any right, power or remedy given to it under this Consent Decree, or to insist upon strict compliance with it, shall not constitute a waiver of the terms and conditions of this Consent Decree with respect to any other or subsequent breach, nor a waiver by either Party of its rights at any time to require exact and strict compliance with all of the terms of this Consent Decree.
- T. The Court retains exclusive jurisdiction to enforce the terms of this Consent Decree and the Annexation Agreement.
- U. The rights or remedies under this Consent Decree are in addition to any other rights or remedies which may be granted by law or the Annexation Agreement, *provided, however*, that no Party hereto shall appeal the entry of this Consent Decree.
- V. This Consent Decree shall be construed in accordance with the laws of the State of Illinois. No rule of strict construction shall be applied against any of the Parties hereto. If any provision of this Consent Decree is capable of two constructions, one of which would render the provision invalid and the other of which would make the provision valid, then the provision shall have the meaning which renders it valid. The language in the text of this Consent Decree shall be interpreted in accordance with the following rules of construction:
 - i. The singular of any word includes the plural thereof and the

plural of any word includes the singular thereof; and

- ii. The word "shall" is mandatory; the word "may" is permissive.

W. Plaintiffs, for themselves, individually, and on behalf of each of their respective past and present affiliates, partners, members, beneficiaries, officers, directors, shareholders, employees, attorneys, agents, trustees, representatives, successors and assigns (collectively, the "Plaintiffs Releasers"), for good and valuable consideration, the receipt of which is hereby acknowledged, hereby release, acquit and forever discharge the Village and its past and present corporate authorities, board members, commissions, commissioners, officers, directors, shareholders, employees, agents, attorneys, representatives, successors and assigns (collectively, the "Village Releasees"), from any and all claims, demands, actions and causes of action of any nature whatsoever, in law or in equity, whether known or unknown, fixed or contingent, which the Plaintiffs Releasers have or could have asserted, from the beginning of time through and including the date of this Consent Decree, against the Village Releasees relating to, arising from or connected in any way with the Lawsuit, *provided, however*, that this release shall not apply to any claims arising from a breach of the agreements and obligations of the Village set forth in this Consent Decree and the Annexation Agreement and to any conduct occurring hereafter.

X. The Village, on behalf of itself and its past and present corporate authorities, board members, commissions, commissioners, officers, directors, shareholders, employees, agents, attorneys, representatives, successors and assigns (collectively, the "Village Releasers"), for good and valuable consideration, the receipt of which is hereby acknowledged, hereby release, acquit and forever discharge each of the respective Plaintiffs and each of their respective past and present affiliates, partners, members, beneficiaries, officers, directors, shareholders, employees, attorneys, agents, trustees, representatives, successors and assigns (collectively, the "Plaintiffs Releasees"), from any and all claims, demands, actions and causes of action of any nature whatsoever, in law or in equity, whether known or unknown, fixed or contingent, which the Village Releasers have or could have asserted, from the beginning of time through and including the date of this Consent Decree, against the Plaintiffs Releasees relating to, arising from or connected in any way with the Lawsuit, *provided, however*, that this release shall not apply to any claims arising from a breach of the agreements and obligations of the Plaintiffs set forth in this Consent Decree and the Annexation Agreement and to any conduct occurring hereafter.

Y. The following representations and warranties are continuing in nature:

- i. Each Party hereto represents and warrants to each of the other

Parties that its execution and performance of this Consent Decree does not, and will not, violate any contract, covenant, agreement or other undertaking to which it is a party;

- ii. Each Party hereto represents and warrants to each of the other Parties hereto that it has not assigned or otherwise transferred to any other person or entity not a party to this Consent Decree any claim it ever had against any of the other Parties hereto; and
- iii. Klehm Properties, Inc. and the Klehm Boys' Partnership each individually represent and warrant to each of the other Parties hereto that the First American Land Trusts are successors in interest to all the rights, claims and interests of LaSalle Bank, N.A., formerly known as LaSalle National Bank, as Trustee under Trust Agreement dated June 3, 1997 and known as Trust No. 121063; LaSalle Bank, N.A., formerly known as LaSalle National Trust, N.A., successor to LaSalle National Bank, as Trustee under Trust Agreement dated November 20, 1974 and known as Trust No. 10-29663-09; LaSalle Bank, N.A., formerly known as LaSalle National Trust, N.A., successor to LaSalle National Bank, as Trustee under Trust Agreement dated January 6, 1975 and known as Trust No. 48415; LaSalle Bank, N.A., formerly known as LaSalle National Trust, N.A., successor to LaSalle National Bank, as Trustee under Trust Agreement dated December 20, 1974 and known as Trust No. 48413; and LaSalle Bank, N.A., formerly known as LaSalle National Trust, N.A., successor to LaSalle National Bank, as Trustee under Trust Agreement dated May 6, 1975 and known as Trust No. 48845 (collectively, the "LaSalle Land Trusts"), who were formerly plaintiffs in the Lawsuit, and that no such rights, claims and interests remain with the LaSalle Land Trusts. Klehm Properties, Inc. further represents and warrants to each of the other Parties hereto that it is the beneficiary of First American Land Trust No. 1-03-114. Klehm Boys' Partnership further represents and warrants to each of the other Parties hereto that it is the beneficiary of First American Land Trust Nos. 1-03-115, 1-03-116, 1-03-117 and 1-03-118.

- Z. Trustee's Exculpation Rider. This instrument is executed by First American Bank, as Trustee: (i) Under Trust Agreement Dated August 22, 2003, and Known as Trust No. 1-03-114; (ii) under Trust Agreement Dated August 22, 2003, and Known as Trust No. 1-03-115 (iii) under Trust Agreement Dated August 22, 2003, and Known as Trust No. 1-03-116; (iv) under Trust Agreement Dated August 22, 2003, and Known as Trust No. 1-03-117; and (v) under Trust Agreement Dated August 22, 2003, and Known as Trust No. 1-03-118 — each not personally, but solely as trustees aforesaid, in the exercise of the power and authority conferred upon and vested in First American Bank as such trustee. This instrument

is executed and delivered by the trusts solely in the exercise of the powers expressly conferred upon the said Trustee under the Trusts and upon the written direction of the beneficiaries and/or holders of the power of direction of said Trusts; and First American Bank warrants that, as Trustee, it possesses full power and authority to execute this instrument. It is expressly understood and agreed by and between the Parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of the Trustee while in form purporting to be the said representations, warranties, covenants, undertakings and agreements of said Trustees are each and every one of them not made with the intention of binding First American Bank in its individual capacity, but are made and intended solely for the purpose of binding only that portion of the trust property specifically described herein. No personal liability or personal responsibility is assumed by or nor shall at any time be asserted or enforceable against First American Bank on account of any representations, warranties, (including but not limited to any representations and/or warranties in regards to potential and/or existent Hazardous Waste) covenants, undertakings and agreements contained in this instrument, (including but not limited to any indebtedness accruing plus interest hereunder) either express or implied or arising in any way out of the transaction in connection with which this instrument is executed, all such personal liability or responsibility, if any, being expressly waived and released, and any liability (including any and all liability for any violation under the Federal and/or the State Environmental or Hazardous Waste laws) hereunder being specifically limited to the assets of the Trusts, if any, and the beneficiaries securing this instrument. Any provision of this instrument referring to a right of any person to be indemnified or held harmless, or reimbursed by the Trustee for any costs, claims, losses, fines, penalties, Damages, costs of any nature including attorney's fees and expenses, arising in any way out of the execution of this instrument or in connection thereto are expressly waived and released by all Parties to and persons claiming, under this instrument. Any person claiming or any provision of this instrument referring to a right to be held harmless, indemnified or reimbursed for any and all costs, losses and expenses of any nature, in connection with the execution of this instrument, shall be construed as only a right of redemption out of the assets of the Trusts. Notwithstanding anything in this instrument contained, in the event of any conflict between the body of this exoneration and the body of this instrument, the provisions of this Section Z shall control. The Trustee being fully exempted, nothing herein contained shall limit the right of any Party to enforce the personal liability of any other Party to this instrument.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

- I. That the foregoing recitals and findings, including the agreements contained

therein, are hereby approved and ordered as though repeated *in toto* in this paragraph I.

II. Village Ordinance Number 0-2001-643, dated August 21, 2001 and entitled "An Ordinance to Void and Invalidate any Prior Agreements, Ordinances, Resolutions or Other Action Taken in Furtherance of The Woods of South Barrington/Klehm Development" is hereby declared to be null and void *ab initio*;

III. Village Ordinance Number 2001-620, dated January 11, 2001 and entitled "An Ordinance Authorizing the Execution of an Annexation and Development Agreement for Approximately Six Hundred Ten (610) Acres of Real Property Located Generally in the Area Bounded by Higgins Road to the South, Illinois Route 59 to the West and Northwest and Bartlett Road to the East and North and South of Penny Road (Klehm Nursery)" is hereby declared to be valid, binding and in full force and effect;

IV. Village Ordinance Number 2001-621, dated January 11, 2001 and entitled "An Ordinance Annexing Approximately Four Hundred Eighty-Four (484) Acres of Real Property Located Generally in the Area Bounded by Higgins Road to the South, Illinois Route 59 to the West and Northwest and Bartlett Road to the East and North and South of Penny Road to the Village of South Barrington (Klehm Nursery)" is hereby declared to be valid, binding and in full force and effect;

V. Village Ordinance Number 2001-622, dated January 11, 2001 and entitled "An Ordinance Granting Certain Property Located in the Village of South Barrington Rezoning, Approval of Preliminary Plan of Planned Unit Development, Special Uses, Approval of Preliminary Plat of Subdivision, and Approval of Preliminary Engineering Plans" is hereby declared to be valid, binding and in full force and effect;

VI. Village Resolution Number 2001-431, dated January 11, 2001 and entitled "A Resolution Authorizing the Sale of Surplus Real Property Owned by the Village of South Barrington, Cook County, Illinois (the Shaefer Property)" is hereby declared to be valid, binding and in full force and effect;

VII. The Annexation Agreement between the Village and the Plaintiffs herein, filed January 19, 2001 with the Cook County Recorder of Deeds as document number 0010049341 is hereby declared to be valid, binding and in full force and effect; *provided, however*, that, except for the seven-year period referred to in Section 17.d of the Annexation Agreement, all time periods provided for in said Annexation Agreement are hereby declared to be tolled from August 21, 2001 through and including until 30 days after the date of this Consent Decree, at which point said time periods shall then commence to run;

VIII. That, except as set forth in the above Subsection R of Section 3 of this Consent Decree, the Parties shall bear their own costs and attorneys fees, which they may have sustained in connection with this cause;

IX. The terms of this Consent Decree, including, but not limited to, the waivers of the Plaintiffs' rights contained herein, are not a modification or amendment of any provision of the Annexation Agreement; the said terms of this Consent Decree shall be binding upon Woods, the

Village and their respective successors and assigns; and the Parties shall have the right to enforce this Consent Decree in this Court; and

X. The Second Amended Complaint and this matter are hereby dismissed with prejudice; however, this Court reserves and retains jurisdiction of this action and shall permit the Parties to this Consent Decree to apply to the Court at any future time for such further orders and directions as may be necessary for the construction, implementation and enforcement of this Consent Decree.

JUDGE RICHARD A. SIEBEL

Entered this 19th day of December, 2003

DEC 19 2003

ENTER:

Circuit Court - 1778

[Signature]
Richard A. Siebel, Judge

This instrument is executed by First American Bank, not individually but solely as Trustee, as aforesaid. As the covenants and conditions to be performed hereunder by First American Bank are undertaken by it solely as Trustee, as aforesaid and not individually, and no personal or individual liability shall be asserted or be enforceable against First American Bank by reason of any of the covenants, statements, representations or warranties, express or implied herein contained in this instrument.

ACCEPTED AND AGREED TO:

Plaintiffs:

The Woods of South Barrington, LLC

By: *[Signature]*
Manager

not personally, but solely
First American Bank, as Trustee Under Trust Agreement Dated August 22, 2003, and Known as Trust No. 1-03-114

By: *[Signature]* VIP
Its: VIP
Attest: Rachael Brewer, AVP
Beneficiary of above Trust No. 1-03-114:
Klehm Properties, Inc.

By: *[Signature]*
Its: president

Klehm Properties, Inc.

By: *[Signature]*
Its: president

not personally, but solely
First American Bank, as Trustee Under Trust Agreement Dated August 22, 2003, and and Known as Trust No. 1-03-115

By: *[Signature]* VIP
Its: VIP
Attest: Rachael Brewer, AVP
Beneficiary of above Trust No. 1-03-115:
Klehm Boys' Partnership

By: *[Signature]*
Its: partner

not personally, but solely
First American Bank^A, as Trustee Under Trust Agreement Dated August 22, 2003, and Known as Trust No. 1-03-116

By: [Signature] *V.I.P*
Its: [Signature] *V.I.P*
Attest: Rachel Brewer, AVP
Beneficiary of above Trust No. 1-03-116:
Klehm Boys' Partnership

By: [Signature]
Its: [Signature]

not personally, but solely
First American Bank^A, as Trustee Under Trust Agreement Dated August 22, 2003, and Known as Trust No. 1-03-118

By: [Signature] *V.I.P*
Its: [Signature] *V.I.P*
Attest: Rachel Brewer, AVP
Defendant: The Village of South Barrington,
an Illinois municipal corporation,

By: [Signature]
Village President

Approved as to Form Only:
Counsel for The Village of South Barrington:
Miller Shakman & Hamilton (90236):
Edward W. Feldman
Stephen J. Bisgeier
Diane F. Klotnia

By: [Signature]
208 S. LaSalle St., Suite 1100
Chicago, IL 60604
312-263-3700

not personally, but solely
First American Bank^A, as Trustee Under Trust Agreement Dated August 22, 2003, and Known as Trust No. 1-03-117

By: [Signature] *V.I.P*
Its: [Signature] *V.I.P*
Attest: Rachel Brewer, AVP
Beneficiary of above Trust No. 1-03-117:
Klehm Boys' Partnership

By: [Signature]
Its: [Signature]

Beneficiary of this Trust No. 1-03-118:
Klehm Boys' Partnership

By: [Signature]
Its: [Signature]

Attest: [Signature] (SEAL)
Village Clerk

Counsel for The Woods of South Barrington, LLC:
Schwartz Cooper Greenberger & Krauss (31395):
Richard G. Schultz
John L. Conlon
Robert B. Groholski

By: [Signature]
180 N. LaSalle St., Suite 2700
Chicago, IL 60601
312-346-1300

This instrument is executed by First American Bank, not individually, but solely as Trustee, as aforesaid, and the covenants and conditions to be performed hereunder by First American Bank are undertaken by it solely as trustee as aforesaid and not individually, and no personal or individual liability shall be asserted or be enforceable against First American Bank by reason of any of the covenants, statements, representations or warranties express or implied herein contained in this instrument

Counsel for Klehm Properties, Inc. and First American Bank, as Trustee under Trust Agreement dated August 22, 2003, and known as Trust No.1-03-114:

Early, Collison, Tousey, Regan, Wlodek & Morrow (11352):

John F. Early
Stephen D. Tousey,
John E. Regan,

Counsel for First American Bank, as Trustee under Trust Agreement dated August 22, 2003 and known as Trust No. 1-03-115; First American Bank, as Trustee under Trust Agreement dated August 22, 2003, and known as Trust No. 1-03-116; First American Bank, as Trustee under Agreement dated August 22, 2003, and known as Trust No. 1-03-117; and First American Bank, as Trustee under Trust Agreement dated August 22, 2003, and known as Trust No. 1-03-118:

Kevin M. Forde, Ltd. (23414)

By: 

2400 Big Timber Road, Suite 201A
Elgin, Illinois 60123
847-697-6770

By: 

111 West Washington Street, Suite 1100
Chicago, Illinois 60602
312-641-1441

**This instrument prepared by,
And after recording,
Please return to:**

**Schwartz, Cooper,
Greenberger
& Krauss, Chartered
180 N. LaSalle Street
Suite 2700
Chicago, Illinois 60601
Attn: Ronald B. Grais, Esq.**

This space reserved for Recorder's use only

Tax Parcel No. _____

DECLARATION OF WAIVER OF ASSISTED LIVING FACILITY

THIS DECLARATION OF WAIVER (this "Declaration") is made by **THE WOODS OF SOUTH BARRINGTON, LLC** (the "Declarant") in favor of **THE VILLAGE OF SOUTH BARRINGTON**, an Illinois municipal corporation..

RECITALS:

WHEREAS, Declarant is the contract purchaser of that certain parcel of real estate which is described on Schedule I attached hereto (the "Declarant Parcel") [Commercial Unit A];

WHEREAS, on January 11, 2001, the Village of South Barrington (the "Village") enacted Ordinance Number 2001-620 (the "Execution Ordinance") which, among other things, authorized the Village to enter into that certain Annexation and Development Agreement (the "Annexation Agreement") with the Declarant, et al.; and

WHEREAS, on January 11, 2001, the Village executed and entered into the Annexation Agreement with the Declarant, et al., which was recorded with the Cook County Recorder on January 19, 2001 as document number 0010049341; and

WHEREAS, the Annexation Agreement, among other things, granted Declarant certain rights to develop and improve the real property (the "Property") described in the Execution Ordinance; and

WHEREAS, on January 11, 2001, the Village enacted Ordinance Number 2001-621 (the "Annexation Ordinance") which, among other things, annexed approximately 484 acres of the Property to the Village; and

WHEREAS, on January 11, 2001, the Village enacted Ordinance Number 2001-622 (the "Approvals Ordinance") which, among other things, rezoned the Property and approved the Declarant's Preliminary Plan of Planned Unit Development for the Property; and

WHEREAS, the Annexation Agreement and the Approvals Ordinance permit an assisted living component of not more than 150 units within Commercial District A (the "Assisted Living Facility"); and

WHEREAS, Declarant has determined not to construct the Assisted Living Facility. Accordingly, Declarant hereby declares as follows:

1. Recitals. Each of the above recitals is hereby incorporated into this Declaration by this reference and shall constitute a part of this Declaration.

2. Waiver of Right to Construct Assisted Living Facility. Declarant shall not exercise and hereby permanently and irrevocably waives, its rights under the Annexation Agreement and Approvals Ordinance to construct the 150 unit Assisted Living Facility described in the Approvals Ordinance (the "Assisted Living Facility Waiver").

3. Enforcement. The Village shall have the power to enforce the Assisted Living Facility Waiver in an action at law or in equity, including an action for the enforcement of the Consent Decree entered on _____ by the Circuit Court of Cook County, Illinois in case number 01 CH 14950.

4. Binding. The terms of this Declaration shall run with and bind Declarant's interest in the Declarant Parcel and shall inure to the benefit of the Village commencing on the date hereof. This Declaration may only be amended by a written instrument executed and delivered by the Village and the title holders of record of the Declarant Parcel.

Dated: _____, 2003

DECLARANT:

THE WOODS OF SOUTH BARRINGTON, LLC

By: _____
Its: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF _____)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO
HEREBY CERTIFY that _____, _____ of **THE WOODS
OF SOUTH BARRINGTON, LLC**, who is personally known to me to be the same person
whose name is subscribed to the foregoing instrument as such _____, appeared before
me this day in person and acknowledged that he signed and delivered the said instrument as his
own free and voluntary act and as the free and voluntary act of said _____, for
the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2003.

Notary Public

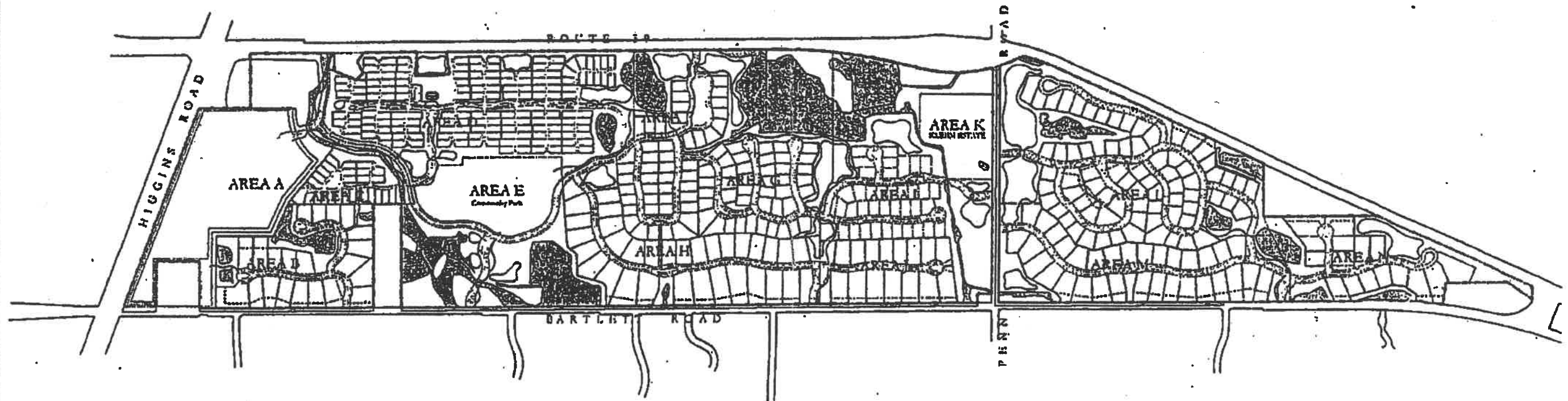
My Commission Expires: _____

SCHEDULE I

DESCRIPTION OF DECLARANT PARCEL

Area A shown on the Preliminary Plat of Subdivision, Section E of the Community Development Guidelines.

EXHIBIT B



Lot Width	Quantity
175' wide	17
140' - 150' wide	98
125' wide	73
105' wide	125
Empty Nester	182
	495

This instrument prepared by,
And after recording,
Please return to:

Schwartz, Cooper,
Greenberger
& Krauss, Chartered
180 N. LaSalle Street
Suite 2700
Chicago, Illinois 60601
Attn: Ronald B. Grais, Esq.

This space reserved for Recorder's use only

Tax Parcel No. _____

DECLARATION OF WAIVER OF CERTAIN DWELLING UNITS

THIS DECLARATION OF WAIVER (this "Declaration") is made by **THE WOODS OF SOUTH BARRINGTON, LLC** (the "Declarant") in favor of **THE VILLAGE OF SOUTH BARRINGTON**, an Illinois municipal corporation.

RECITALS:

WHEREAS, Declarant is the contract purchaser of that certain parcel of real estate which is legally described on Schedule I attached hereto (the "Declarant Parcel");

WHEREAS, on January 11, 2001, the Village of South Barrington (the "Village") enacted Ordinance Number 2001-620 (the "Execution Ordinance") which, among other things, authorized the Village to enter into that certain Annexation and Development Agreement (the "Annexation Agreement") with the Declarant, et al.; and

WHEREAS, on January 11, 2001, the Village executed and entered into the Annexation Agreement with the Declarant, et al., which was recorded with the Cook County Recorder on January 19, 2001 as document number 0010049341; and

WHEREAS, the Annexation Agreement, among other things, granted Declarant certain rights to develop and improve the real property (the "Property") described in the Execution Ordinance; and

WHEREAS, on January 11, 2001, the Village enacted Ordinance Number 2001-621 (the "Annexation Ordinance") which, among other things, annexed approximately 484 acres of the Property to the Village; and

WHEREAS, on January 11, 2001, the Village enacted Ordinance Number 2001-622 (the "Approvals Ordinance") which, among other things, rezoned the Property and approved the Declarant's Preliminary Plan of Planned Unit Development for the Property; and

WHEREAS, the Annexation Agreement and the Approvals Ordinance provide that the maximum number of dwelling units permitted on the Property shall be 495 (in addition to a single dwelling unit on the approximately 12 acre Klehm Estate, as set forth in the Annexation Agreement and Approvals Ordinance); and

WHEREAS, Declarant has determined not to construct certain dwelling units. Accordingly, Declarant hereby declares as follows:

1. Recitals. Each of the above recitals is hereby incorporated into this Declaration by this reference and shall constitute a part of this Declaration.

2. Waiver. Declarant shall not exercise, and hereby permanently and irrevocably waives, its rights under the Annexation Agreement and Approvals Ordinance to construct forty (40) dwelling unit(s) included in the Community Development Guidelines, as set forth in the Approvals Ordinance, which unit(s) is(are) identified on Schedule I attached hereto and by this reference made a part hereof.

3. Enforcement. The Village shall have the power to enforce the waiver contained in paragraph 2 hereof in an action at law or in equity, including an action for the enforcement of the Consent Decree entered on _____ by the Circuit Court of Cook County, Illinois in case number 01 CH 14950.

4. Binding. The terms of this Declaration shall run with and bind Declarant's interest in the Declarant Parcel and shall inure to the benefit of the Village commencing on the date hereof. This Declaration may only be amended by a written instrument executed and delivered by the Village and the title holders of record of the Declarant Parcel.

Dated: _____, 2003

DECLARANT:

THE WOODS OF SOUTH BARRINGTON, LLC

By: _____
Its: _____

STATE OF ILLINOIS)
)
COUNTY OF _____)

SS.

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO
HEREBY CERTIFY that _____, _____ of THE WOODS
OF SOUTH BARRINGTON, LLC, who is personally known to me to be the same person whose
name is subscribed to the foregoing instrument as such _____, appeared before me this
day in person and acknowledged that he signed and delivered the said instrument as his own free
and voluntary act and as the free and voluntary act of said _____, for the uses
and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2003.

Notary Public

My Commission Expires: _____

SCHEDULE I

LEGAL DESCRIPTION OF DECLARANT PARCEL

(To be provided prior to the issuance of any building permits pursuant to paragraph 3D of the Consent Decree)

NOTICE OF EXERCISE OF OPTION B

1. Pursuant to the terms of the Consent Decree entered in Cook County Case No. 01 CH 14950 between The Woods of South Barrington, et al., Plaintiffs, and The Village of South Barrington, Defendant (the "Consent Decree"), the undersigned (the "Purchaser") agrees to purchase at a price of \$3,000,000.00 on the terms set forth in the Consent Decree and herein, the real estate in Cook County, Illinois, known in the Consent Decree as Area B (the "real estate" or the "Property"), as shown in the Community Development Guidelines which are Exhibit B to the Consent Decree.

2. Upon delivery of this Notice, Woods of South Barrington, LLC, a Delaware limited liability company, (the "Seller") is bound to sell the real estate, at the price and terms set forth herein, and to convey or cause to be conveyed to the Purchaser title thereto by a recordable Trustees deed, with release of homestead rights, if any, subject only to such covenants, conditions and restrictions of record and private, public and utility easements and roads and highways, if any shown on Exhibit X hereto as may be applicable to the Property to be sold pursuant hereto; general taxes for the year 2003 and subsequent years.

3. Purchaser has paid to Seller herewith \$25,000.00 as non-refundable earnest money to be applied on the purchase price, and agrees to pay or satisfy the balance of the purchase price, being \$2,975,000, plus or minus prorations, at the time of closing.

4. Seller, at its own expense, agrees to furnish Purchaser a current plat of survey of the above real estate made, and so certified by the surveyor as having been made, in compliance with the Illinois Land Survey Standards and the Consent Decree.

5. The time of closing shall be 90 days after the date Purchaser delivers this Notice to Seller or on the date, if any, to which such time is extended by reason of the Conditions and Stipulations hereafter becoming operative (whichever date is later), unless subsequently mutually agreed otherwise, at the office of the Seller's title insurer provided title is shown to be good or is accepted by Purchaser.

This Notice is subject to the Consent Decree and the Conditions and Stipulations set forth below, which Conditions and Stipulations are made a part of this Notice.

Purchaser:

By: _____

Dated _____

Woods of South Barrington, LLC, as Seller, is bound by the following conditions set forth herein upon delivery of this Notice duly executed by the authorized corporate authority of Purchaser:

CONDITIONS AND STIPULATIONS

1. Seller shall deliver or cause to be delivered to Purchaser or Purchaser's agent, not less than 5 days prior to the time of closing, the plat of survey (if one is required to be delivered under the terms of this contract) and a title commitment for an owner's title insurance policy issued by a title company

Exhibit D

authorized to do business in Illinois, in the amount of the purchase price, covering title to the real estate on or after the date hereof, showing title in the intended grantor subject only to (a) the general exceptions contained in the policy, (b) the title exceptions set forth in paragraph 2 on the first page hereof, and (c) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of closing and which the Seller may so remove at that time by using the funds to be paid upon the delivery of the deed (all of which are herein referred to as the permitted exceptions). The title commitment shall be conclusive evidence of good title as therein shown as to all matters insured by the policy, subject only to the exceptions as therein stated. Seller also shall furnish Purchaser an affidavit of title in customary form covering the date of closing and showing title in Seller subject only to the permitted exceptions in foregoing items (b) and (c) and unpermitted exceptions or defects in the title disclosed by the survey, if any, as to which the title insurer commits to extend insurance in the manner specified in paragraph 2 below.

2. If the title commitment or plat of survey (if one is required to be delivered under the terms of this agreement) discloses either unpermitted exceptions or survey matters that render the title unmarketable (herein referred to as "survey defects"), Seller shall have 30 days from the date of delivery thereof to have the exceptions removed from the commitment or to correct such survey defects or to have the title insurer commit to insure against loss or damage that may be occasioned by such exceptions or survey defects, and, in such event, the time of closing shall be 35 days after delivery of the commitment or the time expressly specified in paragraph 2 on the first page hereof, whichever is later. If Seller fails to have the exceptions removed or correct any survey defects, or in the alternative, to obtain the commitment for title insurance specified above as to such exceptions or survey defects within the specified time, Purchaser may terminate this agreement or may elect, upon notice to Seller within 10 days after the expiration of the 30-day period, to take title as it then is with the right to deduct from the purchase price liens or encumbrances of a definite or ascertainable amount. If Purchaser does not so elect, this agreement shall become null and void without further action of the parties.

3. General taxes shall be adjusted ratably as of the time of closing. The amount of the current general taxes not then ascertainable shall be adjusted on the basis of 100% of the most recent ascertainable taxes with Seller to reproporate upon issuance of final tax bills for 2003, and if applicable 2004.

4. All prorations are final unless otherwise provided herein. Seller shall pay the amount of any stamp tax imposed by State law on the transfer of the title, and shall furnish a completed Real Estate Transfer Declaration signed by the Seller or the Seller's agent in the form required pursuant to the Real Estate Transfer Tax Act of the State of Illinois and shall furnish any declaration signed by the Seller or the Seller's agent or meet other requirements as established by any local ordinance with regard to a transfer or transaction tax; such tax required by local ordinance shall be paid by the party upon whom such ordinance places responsibility therefore.

5. This sale shall be closed through an escrow with Seller's title insurer, in accordance with the general provisions of the usual form of Deed and Money Escrow Agreement then in use by the title company, with such special provisions inserted in the escrow agreement as may be required to conform with this contract. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of purchase price and delivery of deed shall be made through the escrow and this agreement shall be deposited in the escrow. The cost of the escrow shall be divided equally

between Seller and Purchaser.

6. Time is of the essence of this agreement.

7. All notices herein required shall be in writing and shall be served on the parties at the addresses in care of their respective attorneys. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service.

8. Seller represents that he is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code and is therefore exempt from the withholding requirements of said Section. Seller will furnish Purchaser at closing the Exemption Certification set forth in said Section.

9. Purchaser agrees that it is accepting the Property "as is, with all faults," and that Seller has not made (and shall not be deemed to have made) any representations or warranties with respect thereto.

10. Purchaser agrees:

a. That the covenants, conditions and restrictions contemplated by the Annexation and Development Agreement recorded in Cook County as Document No. 0010049341 (the "Annexation Agreement") shall encumber the Property (each a "Declaration"), whether recorded before or after the Closing, and shall be permitted title exceptions, added to paragraph 2 on the first page of this Notice. If any Declaration to be recorded in accordance with the terms of the Annexation Agreement (including but not limited to the Declaration of the Master Association) shall not have been placed of record prior to closing of the sale contemplated hereby, Purchaser shall join in such Declaration as may be required to cause the Declaration to be effective against the Property.

b. Purchaser agrees to grant Seller access to the Property from time to time, as Seller may request, to complete the work contemplated by the Final PUD Plans, Final Subdivision Plat, Final Engineering Plans and Final Wetlands Planting Plans, all as defined in the Annexation Agreement ("the "Plans"), including, but not limited to, any work required to complete grading, or installation of the Sanitary Sewer Improvements, Water Improvements, and Stormwater Improvements, in accordance with such final Plans, and agree that the Property shall be subject to all of such Plans.

c. Purchaser's ownership of the Property shall not give Purchaser any right to require any modifications of any proposed Declaration or Plan, other than its rights as a municipal corporation as set forth in the Annexation Agreement.

d. The Purchaser's covenants in this paragraph 10 shall survive the closing of the transaction contemplated hereby forever, shall be binding upon the Purchaser, its successors and assigns, and inure to the benefit of Seller, its successors and assigns.

EXHIBIT X

NEAR NORTH NATIONAL TITLE CORPORATION
ISSUING AGENT

A.L.T.A. COMMITMENT

SCHEDULE B

Number: N01010865

Schedule B of the policy or policies to be issued will contain the exceptions shown on the inside front cover of this commitment and the following exceptions, unless same are disposed of to the satisfaction of the Company;

- ~~1. General real estate taxes for the years 2000 and 2001. Tax numbers 01-21-202-003, 01-21-204-004, 01-21-400-001, 01-28-200-005, 01-28-200-006, 01-28-200-008, 01-28-400-001, 01-28-401-001, 01-28-402-001, 01-33-200-005, 01-33-200-006, 01-33-200-009, 01-33-200-011, 01-33-200-012, 01-33-200-014 and 01-33-200-015.~~

Note: The first installment of the 2000 taxes has been paid as follows:

01-21-202-003 \$99.29
01-21-204-004 \$246.02
01-21-400-001 \$5,060.50
01-28-200-005 \$522.86
01-28-200-006 \$471.69
01-28-400-001 \$392.47
01-28-401-001 \$392.47
01-28-402-001 \$825.61
01-33-200-005 \$532.80
01-33-200-006 \$4,713.61
01-33-200-009 \$163.85
01-33-200-011 \$21.59
01-33-200-012 \$576.48
01-33-200-014 \$83.40
01-33-200-015 \$442.17

Note: The first installment of the 2000 taxes has not been paid for the following tax number: 01-28-200-008 \$11,786.11

~~Note: The second installment of the 2000 taxes and the 2001 taxes are not yet due and payable.~~

- ~~2. General real estate taxes for the year 1997, as to tax number 01-21-204-004.~~

~~The first installment in the amount of \$317.75 is paid, Note: The tax record shows an additional payment of \$317.75 made on the first installment.~~

~~The final installment amounting to \$369.73 is unpaid. \$51.98 paid on account. Balance unpaid of record.~~

~~Note: The second installment of the 2000 taxes and the 2001 taxes are not yet due and payable.~~

- ~~3. Mortgage dated August 24, 1987, and recorded September 16, 1987, as document number 87507677, made by LaSalle National Bank, as trustee under trust agreement dated May 6, 1975, and known as trust number 48845, to Suburban bank of Barrington, to secure an indebtedness of \$280,000.00.~~

~~(Affects part of Parcel 2).~~

- ~~4. Mortgage dated December 18, 1992, and recorded January 19, 1993, as document number 93045115, made by LaSalle National Trust N.A. as trustee under trust number 44666, and Klehm Properties Inc., to Equitable Life Assurance Society of the United States, to secure an indebtedness of \$2,000,000.00.~~

~~(Affects part of Parcel 2 and other property).~~

A.L.T.A. Commitment - Schedule B - Continued

- ~~5. Mortgage dated June 30, 1997, and recorded August 1, 1997, as document number 97559953, made by LaSalle National Bank, successor trustee to LaSalle National Trust, N.A., as successor trustee to LaSalle National Bank, as trustee under trust agreement dated December 20, 1974, and known as trust number 48413, and Klehm Boys Partnership doing Business as Charles Klehm and Son Nursery, to American National Bank and Trust Company of Chicago, a national banking association, to secure an indebtedness of \$1,500,000.00, as amended by Modification Agreement dated January 15, 1999, and recorded February 24, 1999, as document number 99182551, and by Modification Agreement dated June 15, 1999, and recorded September 22, 1999, as document number 99896434.~~

~~(Affects part of Parcel 1)~~

6. Assignment of Rents and Leases dated June 30, 1997 and recorded August 1, 1997 as document number 97559954, by and between LaSalle National Bank, as successor trustee to LaSalle National Trust, N.A., as successor trustee to LaSalle National Bank, as trustee under trust agreement dated December 20, 1974, and known as trust number 48413, and Klehm Boys Partnership doing Business as Charles Klehm and Son Nursery, to American National Bank and Trust Company of Chicago, a national banking association, as amended by Modification Agreement dated January 15, 1999, and recorded February 24, 1999, as document number 99182551, and by Modification Agreement dated June 15, 1999, and recorded September 22, 1999, as document number 99896434.

(Affects part of Parcel 1).

7. Security interest of American National Bank and Trust Company of Chicago, under a financing statement executed by Klehm Boys Partnership, Doing Business as Charles Klehm & Son Nursery and filed August 1, 1997, as document number 97U09254.

(Affects part of Parcel 1).

8. Security interest of American National Bank and Trust Company of Chicago, under a financing statement executed by LaSalle National Bank, successor trustee to LaSalle National Trust, N.A., successor trustee, to LaSalle National Bank, as trustee under trust agreement dated December 20, 1974, and known as trust number 48413, and filed August 1, 1997, as document number 97U09255.

(Affects part of Parcel 1).

9. Mortgage dated June 10, 1999, and recorded June 14, 1999, as document number 99568907, made by LaSalle Bank National Association, as trustee under trust agreement dated June 3, 1997, and known as trust number 121063, to The Woods of South Barrington, L.L.C., a Delaware limited liability company, to secure an indebtedness of \$950,000.00.

(Affects part of Parcel 1).

10. Assignment of Rents and Leases dated June 10, 1999, and recorded June 14, 1999, as document number 99568908, made by LaSalle Bank National Association, as trustee under trust agreement dated June 3, 1997, and known as trust number 121063, and Klehm Properties, Inc., to The Woods of South Barrington, LLC, a Delaware limited liability company.

(Affects part of Parcel 1).

11. Collateral Assignment of Loan Documents and Agreement of Purchase and Sale dated June 10, 1999, and recorded June 14, 1999, as document number 99568909, by and between The Woods of South Barrington, LLC, and LaSalle Bank National Association.

(Affects part of Parcel 1).

12. Mortgage dated December 14, 1999, and recorded December 22, 1999, as document number 09189393, made by LaSalle National Bank, as trustee under trust agreement dated May 6, 1975, and known as trust number 48845, to Susan Klehm, as trustee of the Susan Klehm Trust dated March 26, 1994, to secure an indebtedness of \$300,000.00

(Affects part of Parcel 2 and other property).

13. Security interest of American National Bank and Trust Company of Chicago, under a financing statement executed by LaSalle National Bank, as trustee under trust agreement dated December 20, 1974, and known as trust number 48413, and filed August 24,

A.L.T.A. Commitment - Schedule B - Continued

~~1999, as document number 99J09013.~~

~~14. Security interest of American National Bank and Trust of Chicago, under a financing statement executed by LaSalle National Bank, as trustee under trust agreement dated December 20, 1974, and known as trust number 48413, and filed August 24, 1999, as document number 99805854.~~

15. Rights of the Illinois Bell Telephone Company to construct, reconstruct, operate and maintain its underground wires, terminals and associated equipment upon, under and along public highway on or adjoining the land which first parties own in Northwest 1/4 of Section 32, Township 42 North, Range 9 under agreement dated July 7, 1934 and recorded July 21, 1937, as document number 120029896.

(Affects Parcel 2).

16. Rights and easement for the County of Cook to establish, construct and maintain a drainage system, over, upon and under of the land described as follows: beginning at the intersection of the center line of Bartlett Road and the center line of a Portland cement concrete culvert on the East line of Section 21, aforesaid 1, 261 feet more or less South of the Northeast corner of culvert, which forms an angle of 87 degrees 11 minutes with the East line of Section 21 aforesaid, measured from North to West, to a catch basin; thence Northwesterly 725.7 feet along a street line which forms an angle of 147 degrees with the last described course measured from East to Northwest to a catch basin in Sutton Road, said catch basin being 632.22 feet West of East line of said Section 21 measured at right angles to the East line of Section 21 aforesaid, and 843.5 feet South of the Northeast corner of said Section 21 as contained in the agreement between First Trust Joint Stock Land Bank of Chicago with County of Cook dated January 27, 1938 and recorded February 11, 1938 as document 12118589 and as contained in the agreement from Charles H. Hilton and Katherine F. Hilton his wife with County of Cook dated January 27, 1938 and recorded February 11, 1938 as document 12118590.

(Affects Parcel 2)

17. Dedication of part of the land for public highway as per Plat of Dedication by Howard V. Kennington and Gertrude M. Kennington his wife recorded October 30, 1934 as document 11490646.

18. Easement only for drainage of waste water and the disposal field for septic waste as reserved by deeds recorded as documents 23102269 and 23102270 over the following described property:

That part of the East 1/2 of the Northeast 1/4 of Section 21, Township 42 North, Range 9 East of the Third Principal Meridian described as follows:

Commencing at the Northeast corner of said Section 21; thence South 00 degrees 00 minutes 05 seconds East, 1,637.02 feet along the East line of said Section 21; thence South 89 degrees 54 minutes 48 seconds West, 50 feet to a point on the West right of way line of Bartlett Road; thence Northeasterly along the said West right of way, (said right of way line being a curve concave to the East, with a radius of 5,779.65 feet and the tangent bears North 00 degrees 05 minutes 12 seconds West), 781.05 feet; thence South 82 degrees 10 minutes 12 Seconds West, 212.88 feet; thence North 00 degrees 00 minutes 00 seconds 600 feet to the true point of beginning; thence North 37 degrees 12 minutes 11 seconds East to the North line of said Section 21; thence West along the said North line to the Easterly line of Sutton; thence Southwesterly along the said Easterly line of Sutton Road to a line drawn due West from the point of beginning; thence East along said line to the point of beginning in Cook County, Illinois for the benefit of the following described land:

That part of Sections 15, 16, 21 and 22, Township 42 North, Range 9 East of the Third Principal Meridian, described as follows: Commencing at the Northeast corner of said Section 21; thence South 00 degrees 00 minutes 05 seconds East, 1,637.02 feet along the East line of said Section 21; thence South 89 degrees 54 minutes 48 seconds West, 50.00 feet to a point on the West right of way of Bartlett road; thence Northeasterly along the said West right of way line, (said right of way line being a curve concave to the East, with a radius of 5,779.65 feet and the tangent bears North 00 degrees 05 minutes 12 seconds West), 781.05 feet to the true point of beginning; thence continuing Northeast along said West right of way curve line 818.65 feet, the radial to said curve, North 74 degrees 03 minutes 14 seconds West 222.00 feet; thence South 37 degrees 12 minutes 11 seconds West, 288.77 feet; thence South 00 degrees 00 minutes 600.00 feet; thence South 82 degrees 10 minutes 12 seconds East, 212.88 feet to the point of beginning in Cook County, Illinois.

(Affects Parcel 2).

A.L.T.A. Commitment - Schedule B - Continued

19. This commitment and any policy issued pursuant thereto shall not be construed as insuring any part of the land taken for condemnation in cases 94L50014 and 94L50015.

(Affects Parcel 1)

20. Rights of the public, State of Illinois and the Municipality, in and to that part of the land falling in Penny Road and Bartlett Road.
21. Easements for pipeline and ingress and egress as disclosed by Grant from Albert F. Potter and Eleanor Potter his wife to Texas Illinois Natural Gas Pipeline Company dated June 9, 1951 and recorded June 22, 1951 as document 15106713 and all rights thereunder of, and all acts done or suffered thereunder by, said Texas Illinois Natural Gas Pipeline Company or by any party claiming by, through or under said company.

Note: By indenture of conveyance dated December 15, 1959, and recorded December 21, 1959 as document 17740181, Texas Illinois Natural Gas Pipeline Company, a corporation of Delaware, conveyed to Peoples Gulf Coast Natural Gas Pipeline Company a corporation of Delaware, all right, title, interest, claim or privilege in and to the Grant noted above.

22. Rights of way for drainage titles, ditches, feeders laterals and underground pipes, if any.
23. Rights of the public, the state of Illinois and county of Cook in and to that part of the land described in document 11113029 and dedicated for state highway 59 but never used.
24. Agreement recorded as document 5940284 relating to drainage.

(Affects part of Parcel 1)

25. Easement in favor of Northern Illinois Gas Company, and its/their respective successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the grant recorded/filed as document no. 95304146, affecting the part of Parcel 5 falling in that part of the West 1/2 of Bartlett Road in the Southeast 1/4 of Section 33 of the land.
26. Easement in favor of Northern Illinois Gas Company, and its/their respective Successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the grant recorded/filed as document no. 25696255, affecting the part of Parcel 1 falling in that part of West Bartlett Road in the Southeast 1/4 of Section 28 of the land.
27. Easement in favor of Northern Illinois Gas Company, and its/their respective successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the grant recorded/filed as document no. 98199546, affecting the right of access in, under, along and across the North half of the public highway known as Penny Road which extends along the South side of the land.
28. Terms and provisions of the Annexation and Development Agreement recorded January 19, 2001 as document number 0010049341.
29. Easement over the North half of Penny Road in favor of Northern Illinois Gas Company for the installation, relocation, renewal and removal of gas mains and appurtenances, as created by grant recorded on March 13, 1998 as document 98199546.
30. Note: Compliance with the provisions of the "Plat Act" chapter 109, of the Illinois Revised Statutes, may be necessary prior to recording any conveyance of the land.
31. Right of tenants under existing unrecorded leases and of all parties claiming by, through or under them.
32. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records. NOTE: the company should be furnished with an ALTA loan and extended coverage policy statement.
33. Subject to encroachments, overlaps, unrecorded easements and other adverse matters, which may be disclosed by an accurate survey of the land made in accordance with Illinois survey and ALTA/ACM survey standards.

A.L.T.A. Commitment - Schedule B - Continued

34. Any lien or right to a lien as established pursuant to the provisions of the commercial real estate broker lien act.
35. We should be furnished a statement that there is no property manager employed to manage the land, or, in the alternative, a final lien waiver from any such property manager.
36. Note: We have learned that the United States department has interpreted the statute 42 USC 3604 to mean title companies are prohibited from either providing copies of, or reflecting as exceptions in title commitments, preliminary reports or policies, restrictive covenants which are in violation of the statute. In light of this interpretation, we believe it necessary to include the following "carve out" as part of the language of any exception for restrictive covenants included in all title evidence:

If any document referenced herein contains a covenant, condition or restriction violative of 42usc 3604(c), such covenant, condition or restriction to the extent of such violation is hereby deleted.

37. Relative to the new improvements on the subject land we must be furnished the following documentation:

A. Contractor's affidavits and satisfactory mechanic lien waivers.

B. Current "ALTA" survey.

C. New construction: please contact our construction escrow department at (312) 419-3913 with questions or comments. Sworn statements, waivers and affidavits should be submitted 5 days prior to closing.

38. Terms, provisions, conditions and limitations of the trust agreement under which title to the subject property is held.

- ~~39. Owners extended coverage relative to the deletion of any or all of the 5 standard exceptions for the owner's policy will be considered only upon the following being provided to Near North National Title corporation:~~

~~Standard exceptions 1 and 2~~

~~All existing leases, which have not been recorded in full, which affect any interest in the property described herein should be produced at this company and left for inspection. Any other right's, options, or agreements should be disclosed in writing. A properly executed ALTA form 109, will also be required.~~

~~Letters should be obtained from the various utility companies and the cable company serving the area in which the land is located, which state that they either have no facilities, easements, or equipment in the land, or which locates the facilities, easements or equipment. Also, a letter from the village engineer or other official in charge of sewer and water lines, would be obtained either stating that the land contains no such conduits or which locates the sewer and water lines.~~

~~Note: allow 30 days for responses.~~

~~Standard exception number 3:~~

~~we should be furnished with an "ALTA" survey certified to include Near North National Title corporation which is dated within the last six months and shows all improvements completed or substantially completed. When requesting issuance of a survey for this purpose, the surveyor must be informed to adhere to compliance with Illinois land survey standards or ALTA/ASCM requirements.~~

~~Standard exception number 4:~~

~~A properly executed ALTA form 109 signed by all parties holding title to or contract interest to the land and improvements thereon during the last six months must be provided.~~

~~Relative to any new improvements, remodeling or repairs made within the last six months, satisfactory evidence of the payment in full of labor and materials in the form of contractors' affidavits and completed mechanic's lien waivers. Refer to the commitment jacket for additional details.~~

~~Standard exception number 5.~~

A.L.T.A. Commitment - Schedule B - Continued

~~The pendency of any special assessments or special taxes should be disclosed, if known to the parties.~~

Note: all matters disclosed by any of the aforementioned documentation will be shown as specific matters on schedule b.

All requirements must be furnished prior to the closing date to allow sufficient time for consideration by Near North National Title Corporation. Premiums for this coverage will be quoted upon request. Contact the underwriting department.

40. Any questions concerning underwriting, coverage or legal issues should be referred to the underwriting department of Near North National Title Corporation at (312) 419-3900.

To schedule a closing please contact the escrow department of Near North National Title corporation at (312) 419-3900.

41. Note: policy when issued will not be considered valid until all fees invoiced relative to said policy are paid in full.

Note: the policies issued will be ALTA 1992 form policies, unless otherwise specified.

~~42. This is a commitment for a Ticor Title Insurance Company policy.~~

ISSUING AGENT

BY: 

AUTHORIZED SIGNATORY

NEAR NORTH NATIONAL TITLE CORPORATION

222 N. LaSalle Street
Chicago, IL 60601

(312) 419-3900

FAX: (312) 419-0778

NOTICE OF EXERCISE OF OPTION C

1. Pursuant to the terms of the Consent Decree entered in Cook County Case No. 01 CH 14950 between The Woods of South Barrington, et al., Plaintiffs, and The Village of South Barrington, Defendant (the "Consent Decree"), the undersigned (the "Purchaser") agrees to purchase at a price of \$2,210,000.00* on the terms set forth in the Consent Decree and herein, the real estate in Cook County, Illinois, known in the Consent Decree as Area C (the "real estate" or the "Property"), as shown in the Community Development Guidelines which are Exhibit B to the Consent Decree.

2. Upon delivery of this Notice, Woods of South Barrington, LLC, a Delaware limited liability company, (the "Seller") is bound to sell the real estate, at the price and terms set forth herein, and to convey or cause to be conveyed to the Purchaser title thereto by a recordable Trustees deed, with release of homestead rights, if any, subject only to such covenants, conditions and restrictions of record and private, public and utility easements and roads and highways, if any shown on Exhibit X hereto as may be applicable to the Property to be sold pursuant hereto; general taxes for the year 2003 and subsequent years.

3. Purchaser has paid to Seller herewith \$25,000.00 as non-refundable earnest money to be applied on the purchase price, and agrees to pay or satisfy the balance of the purchase price, being \$2,185,000*, plus or minus prorations, at the time of closing.

4. Seller, at its own expense, agrees to furnish Purchaser a current plat of survey of the above real estate made, and so certified by the surveyor as having been made, in compliance with the Illinois Land Survey Standards and the Consent Decree.

5. The time of closing shall be 90 days after the date Purchaser delivers this Notice to Seller or on the date, if any, to which such time is extended by reason of the Conditions and Stipulations hereafter becoming operative (whichever date is later), unless subsequently mutually agreed otherwise, at the office of the Seller's title insurer provided title is shown to be good or is accepted by Purchaser.

* It is understood, however, that this figure shall be reduced by \$430,000, if Area N is purchased with this Area C.

This Notice is subject to the Consent Decree and the Conditions and Stipulations set forth below, which Conditions and Stipulations are made a part of this Notice.

Purchaser:

By: _____ Dated _____

Woods of South Barrington, LLC, as Seller, is bound by the following conditions set forth herein upon delivery of this Notice duly executed by the authorized corporate authority of

Purchaser:

CONDITIONS AND STIPULATIONS

1. Seller shall deliver or cause to be delivered to Purchaser or Purchaser's agent, not less than 5 days prior to the time of closing, the plat of survey (if one is required to be delivered under the terms of this contract) and a title commitment for an owner's title insurance policy issued by a title company authorized to do business in Illinois, in the amount of the purchase price, covering title to the real estate on or after the date hereof, showing title in the intended grantor subject only to (a) the general exceptions contained in the policy, (b) the title exceptions set forth in paragraph 2 on the first page hereof, and (c) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of closing and which the Seller may so remove at that time by using the funds to be paid upon the delivery of the deed (all of which are herein referred to as the permitted exceptions). The title commitment shall be conclusive evidence of good title as therein shown as to all matters insured by the policy, subject only to the exceptions as therein stated. Seller also shall furnish Purchaser an affidavit of title in customary form covering the date of closing and showing title in Seller subject only to the permitted exceptions in foregoing items (b) and (c) and unpermitted exceptions or defects in the title disclosed by the survey, if any, as to which the title insurer commits to extend insurance in the manner specified in paragraph 2 below.
2. If the title commitment or plat of survey (if one is required to be delivered under the terms of this agreement) discloses either unpermitted exceptions or survey matters that render the title unmarketable (herein referred to as "survey defects"), Seller shall have 30 days from the date of delivery thereof to have the exceptions removed from the commitment or to correct such survey defects or to have the title insurer commit to insure against loss or damage that may be occasioned by such exceptions or survey defects, and, in such event, the time of closing shall be 35 days after delivery of the commitment or the time expressly specified in paragraph 2 on the first page hereof, whichever is later. If Seller fails to have the exceptions removed or correct any survey defects, or in the alternative, to obtain the commitment for title insurance specified above as to such exceptions or survey defects within the specified time, Purchaser may terminate this agreement or may elect, upon notice to Seller within 10 days after the expiration of the 30-day period, to take title as it then is with the right to deduct from the purchase price liens or encumbrances of a definite or ascertainable amount. If Purchaser does not so elect, this agreement shall become null and void without further action of the parties.
3. General taxes shall be adjusted ratably as of the time of closing. The amount of the current general taxes not then ascertainable shall be adjusted on the basis of 100% of the most recent ascertainable taxes with Seller to reproporate upon issuance of final tax bills for 2003, and if applicable 2004.
4. All prorations are final unless otherwise provided herein. Seller shall pay the amount of any stamp tax imposed by State law on the transfer of the title, and shall furnish a completed Real Estate Transfer Declaration signed by the Seller or the Seller's agent in the form required pursuant to the Real Estate Transfer Tax Act of the State of Illinois and shall furnish any declaration signed by the Seller or the Seller's agent or meet other requirements as established by any local ordinance with regard to a transfer or transaction tax; such tax required by local ordinance shall be paid by the party upon whom such ordinance places responsibility therefore.

Exhibit E

5. This sale shall be closed through an escrow with Seller's title insurer, in accordance with the general provisions of the usual form of Deed and Money Escrow Agreement then in use by the title company, with such special provisions inserted in the escrow agreement as may be required to conform with this contract. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of purchase price and delivery of deed shall be made through the escrow and this agreement shall be deposited in the escrow. The cost of the escrow shall be divided equally between Seller and Purchaser.
6. Time is of the essence of this agreement.
7. All notices herein required shall be in writing and shall be served on the parties at the addresses in care of their respective attorneys. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service.
8. Seller represents that he is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code and is therefore exempt from the withholding requirements of said Section. Seller will furnish Purchaser at closing the Exemption Certification set forth in said Section.
9. Purchaser agrees that it is accepting the Property "as is, with all faults," and that Seller has not made (and shall not be deemed to have made) any representations or warranties with respect thereto.
10. Purchaser agrees:
 - a. That the covenants, conditions and restrictions contemplated by the Annexation and Development Agreement recorded in Cook County as Document No. 0010049341 (the "Annexation Agreement") shall encumber the Property (each a "Declaration"), whether recorded before or after the Closing, and shall be permitted title exceptions, added to paragraph 2 on the first page of this Notice. If any Declaration to be recorded in accordance with the terms of the Annexation Agreement (including but not limited to the Declaration of the Master Association) shall not have been placed of record prior to closing of the sale contemplated hereby, Purchaser shall join in such Declaration as may be required to cause the Declaration to be effective against the Property.
 - b. Purchaser agrees to grant Seller access to the Property from time to time, as Seller may request, to complete the work contemplated by the Final PUD Plans, Final Subdivision Plat, Final Engineering Plans and Final Wetlands Planting Plans, all as defined in the Annexation Agreement ("the "Plans"), including, but not limited to, any work required to complete grading, or installation of the Sanitary Sewer Improvements, Water Improvements, and Stormwater Improvements, in accordance with such final Plans, and agree that the Property shall be subject to all of such Plans.
 - c. Purchaser's ownership of the Property shall not give Purchaser any right to require any modifications of any proposed Declaration or Plan, other than its rights as a municipal corporation as set forth in the Annexation Agreement.
 - d. The Purchaser's covenants in this paragraph 10 shall survive the closing of the transaction contemplated hereby forever, shall be binding upon the Purchaser, its successors and assigns, and inure to the benefit of Seller, its successors and assigns.

EXHIBIT X

NEAR NORTH NATIONAL TITLE CORPORATION
ISSUING AGENT

A.L.T.A. COMMITMENT

SCHEDULE B

Number: N01010865

Schedule B of the policy or policies to be issued will contain the exceptions shown on the inside front cover of this commitment and the following exceptions, unless same are disposed of to the satisfaction of the Company;

- ~~1. General real estate taxes for the years 2000 and 2001. Tax numbers 01-21-202-003, 01-21-204-004, 01-21-400-001, 01-28-200-005, 01-28-200-006, 01-28-200-008, 01-28-400-001, 01-28-401-001, 01-28-402-001, 01-33-200-005, 01-33-200-006, 01-33-200-009, 01-33-200-011, 01-33-200-012, 01-33-200-014 and 01-33-200-015.~~

Note: The first installment of the 2000 taxes has been paid as follows:

01-21-202-003 \$99.29
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01-28-401-001 \$392.47
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01-33-200-005 \$532.80
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Note: The first installment of the 2000 taxes has not been paid for the following tax number: 01-28-200-008 \$11,786.11

~~Note: The second installment of the 2000 taxes and the 2001 taxes are not yet due and payable.~~

- ~~2. General real estate taxes for the year 1997, as to tax number 01-21-204-004.~~

~~The first installment in the amount of \$317.75 is paid, Note: The tax record shows an additional payment of \$317.75 made on the first installment.~~

~~The final installment amounting to \$369.73 is unpaid. \$51.98 paid on account. Balance unpaid of record.~~

~~Note: The second installment of the 2000 taxes and the 2001 taxes are not yet due and payable.~~

- ~~3. Mortgage dated August 24, 1987, and recorded September 16, 1987, as document number 87507677, made by LaSalle National Bank, as trustee under trust agreement dated May 6, 1975, and known as trust number 48845, to Suburban bank of Barrington, to secure an indebtedness of \$280,000.00.~~

~~(Affects part of Parcel 2).~~

- ~~4. Mortgage dated December 18, 1992, and recorded January 19, 1993, as document number 93045115, made by LaSalle National Trust N.A. as trustee under trust number 44666, and Klehm Properties Inc., to Equitable Life Assurance Society of the United States, to secure an indebtedness of \$2,000,000.00.~~

~~(Affects part of Parcel 2 and other property).~~

A.L.T.A. Commitment - Schedule B - Continued

~~5. Mortgage dated June 30, 1997, and recorded August 1, 1997, as document number 97559953, made by LaSalle National Bank, successor trustee to LaSalle National Trust, N.A., as successor trustee to LaSalle National Bank, as trustee under trust agreement dated December 20, 1974, and known as trust number 48413, and Klehm Boys Partnership doing Business as Charles Klehm and Son Nursery, to American National Bank and Trust Company of Chicago, a national banking association, to secure an indebtedness of \$1,500,000.00, as amended by Modification Agreement dated January 15, 1999, and recorded February 24, 1999, as document number 99182551, and by Modification Agreement dated June 15, 1999, and recorded September 22, 1999, as document number 99896434.~~

~~(Affects part of Parcel 1)~~

6. Assignment of Rents and Leases dated June 30, 1997 and recorded August 1, 1997 as document number 97559954, by and between LaSalle National Bank, as successor trustee to LaSalle National Trust, N.A., as successor trustee to LaSalle National Bank, as trustee under trust agreement dated December 20, 1974, and known as trust number 48413, and Klehm Boys Partnership doing Business as Charles Klehm and Son Nursery, to American National Bank and Trust Company of Chicago, a national banking association, as amended by Modification Agreement dated January 15, 1999, and recorded February 24, 1999, as document number 99182551, and by Modification Agreement dated June 15, 1999, and recorded September 22, 1999, as document number 99896434.

(Affects part of Parcel 1).

7. Security interest of American National Bank and Trust Company of Chicago, under a financing statement executed by Klehm Boys Partnership, Doing Business as Charles Klehm & Son Nursery and filed August 1, 1997, as document number 97U09254.

(Affects part of Parcel 1).

8. Security interest of American National Bank and Trust Company of Chicago, under a financing statement executed by LaSalle National Bank, successor trustee to LaSalle National Trust, N.A., successor trustee, to LaSalle National Bank, as trustee under trust agreement dated December 20, 1974, and known as trust number 48413, and filed August 1, 1997, as document number 97U09255.

(Affects part of Parcel 1).

9. Mortgage dated June 10, 1999, and recorded June 14, 1999, as document number 99568907, made by LaSalle Bank National Association, as trustee under trust agreement dated June 3, 1997, and known as trust number 121063, to The Woods of South Barrington, L.L.C., a Delaware limited liability company, to secure an indebtedness of \$950,000.00.

(Affects part of Parcel 1).

10. Assignment of Rents and Leases dated June 10, 1999, and recorded June 14, 1999, as document number 99568908, made by LaSalle Bank National Association, as trustee under trust agreement dated June 3, 1997, and known as trust number 121063, and Klehm Properties, Inc., to The Woods of South Barrington, LLC, a Delaware limited liability company.

(Affects part of Parcel 1).

11. Collateral Assignment of Loan Documents and Agreement of Purchase and Sale dated June 10, 1999, and recorded June 14, 1999, as document number 99568909, by and between The Woods of South Barrington, LLC, and LaSalle Bank National Association.

(Affects part of Parcel 1).

12. Mortgage dated December 14, 1999, and recorded December 22, 1999, as document number 09189393, made by LaSalle National Bank, as trustee under trust agreement dated May 6, 1975, and known as trust number 48845, to Susan Klehm, as trustee of the Susan Klehm Trust dated March 26, 1994, to secure an indebtedness of \$300,000.00

(Affects part of Parcel 2 and other property).

13. Security interest of American National Bank and Trust Company of Chicago, under a financing statement executed by LaSalle National Bank, as trustee under trust agreement dated December 20, 1974, and known as trust number 48413, and filed August 24,

A.L.T.A. Commitment - Schedule B - Continued

~~1999, as document number 99U09013.~~

~~14. Security interest of American National Bank and Trust of Chicago, under a financing statement executed by LaSalle National Bank, as trustee under trust agreement dated December 20, 1974, and known as trust number 48413, and filed August 24, 1999, as document number 99805854.~~

15. Rights of the Illinois Bell Telephone Company to construct, reconstruct, operate and maintain its underground wires, terminals and associated equipment upon, under and along public highway on or adjoining the land which first parties own in Northwest 1/4 of Section 32, Township 42 North, Range 9 under agreement dated July 7, 1934 and recorded July 21, 1937, as document number 120029896.

(Affects Parcel 2).

16. Rights and easement for the County of Cook to establish, construct and maintain a drainage system, over, upon and under of the land described as follows: beginning at the intersection of the center line of Bartlett Road and the center line of a Portland cement concrete culvert on the East line of Section 21, aforesaid 1, 261 feet more or less South of the Northeast corner of culvert, which forms an angle of 87 degrees 11 minutes with the East line of Section 21 aforesaid, measured from North to West, to a catch basin; thence Northwesterly 725.7 feet along a street line which forms an angle of 147 degrees with the last described course measured from East to Northwest to a catch basin in Sutton Road, said catch basin being 632.22 feet West of East line of said Section 21 measured at right angles to the East line of Section 21 aforesaid, and 843.5 feet South of the Northeast corner of said Section 21 as contained in the agreement between First Trust Joint Stock Land Bank of Chicago with County of Cook dated January 27, 1938 and recorded February 11, 1938 as document 12118589 and as contained in the agreement from Charles H. Hilton and Katherine F. Hilton his wife with County of Cook dated January 27, 1938 and recorded February 11, 1938 as document 12118590.

(Affects Parcel 2)

17. Dedication of part of the land for public highway as per Plat of Dedication by Howard V. Kennington and Gertrude M. Kennington his wife recorded October 30, 1934 as document 11490646.

18. Easement only for drainage of waste water and the disposal field for septic waste as reserved by deeds recorded as documents 23102269 and 23102270 over the following described property:

That part of the East 1/2 of the Northeast 1/4 of Section 21, Township 42 North, Range 9 East of the Third Principal Meridian described as follows:

Commencing at the Northeast corner of said Section 21; thence South 00 degrees 00 minutes 05 seconds East, 1,637.02 feet along the East line of said Section 21; thence South 89 degrees 54 minutes 48 seconds West, 50 feet to a point on the West right of way line of Bartlett Road; thence Northeasterly along the said West right of way, (said right of way line being a curve concave to the East, with a radius of 5,779.65 feet and the tangent bears North 00 degrees 05 minutes 12 seconds West), 781.05 feet; thence South 82 degrees 10 minutes 12 Seconds West, 212.88 feet; thence North 00 degrees 00 minutes 00 seconds 600 feet to the true point of beginning; thence North 37 degrees 12 minutes 11 seconds East to the North line of said Section 21; thence West along the said North line to the Easterly line of Sutton; thence Southwesterly along the said Easterly line of Sutton Road to a line drawn due West from the point of beginning; thence East along said line to the point of beginning in Cook County, Illinois for the benefit of the following described land:

That part of Sections 15, 16, 21 and 22, Township 42 North, Range 9 East of the Third Principal Meridian, described as follows: Commencing at the Northeast corner of said Section 21; thence South 00 degrees 00 minutes 05 seconds East, 1,637.02 feet along the East line of said Section 21; thence South 89 degrees 54 minutes 48 seconds West, 50.00 feet to a point on the West right of way of Bartlett road; thence Northeasterly along the said West right of way line, (said right of way line being a curve concave to the East, with a radius of 5,779.65 feet and the tangent bears North 00 degrees 05 minutes 12 seconds West), 781.05 feet to the true point of beginning; thence continuing Northeast along said West right of way curve line 818.65 feet, the radial to said curve, North 74 degrees 03 minutes 14 seconds West 222.00 feet; thence South 37 degrees 12 minutes 11 seconds West, 288.77 feet; thence South 00 degrees 00 minutes 600.00 feet; thence South 82 degrees 10 minutes 12 seconds East, 212.88 feet to the point of beginning in Cook County, Illinois.

(Affects Parcel 2).

A.L.T.A. Commitment - Schedule B - Continued

19. This commitment and any policy issued pursuant thereto shall not be construed as insuring any part of the land taken for condemnation in cases 94L50014 and 94L50015.

(Affects Parcel 1)

20. Rights of the public, State of Illinois and the Municipality, in and to that part of the land falling in Penny Road and Bartlett Road.
21. Easements for pipeline and ingress and egress as disclosed by Grant from Albert F. Potter and Eleanor Potter his wife to Texas Illinois Natural Gas Pipeline Company dated June 9, 1951 and recorded June 22, 1951 as document 15106713 and all rights thereunder of, and all acts done or suffered thereunder by, said Texas Illinois Natural Gas Pipeline Company or by any party claiming by, through or under said company.

Note: By indenture of conveyance dated December 15, 1959, and recorded December 21, 1959 as document 17740181, Texas Illinois Natural Gas Pipeline Company, a corporation of Delaware, conveyed to Peoples Gulf Coast Natural Gas Pipeline Company a corporation of Delaware, all right, title, interest, claim or privilege in and to the Grant noted above.

22. Rights of way for drainage titles, ditches, feeders laterals and underground pipes, if any.
23. Rights of the public, the state of Illinois and county of Cook in and to that part of the land described in document 11113029 and dedicated for state highway 59 but never used.
24. Agreement recorded as document 5940284 relating to drainage.

(Affects part of Parcel 1)

25. Easement in favor of Northern Illinois Gas Company, and its/their respective successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the grant recorded/filed as document no. 95304146, affecting the part of Parcel 5 falling in that part of the West 1/2 of Bartlett Road in the Southeast 1/4 of Section 33 of the land.
26. Easement in favor of Northern Illinois Gas Company, and its/their respective Successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the grant recorded/filed as document no. 25696255, affecting the part of Parcel 1 falling in that part of West Bartlett Road in the Southeast 1/4 of Section 28 of the land.
27. Easement in favor of Northern Illinois Gas Company, and its/their respective successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the grant recorded/filed as document no. 98199546, affecting the right of access in, under, along and across the North half of the public highway known as Penny Road which extends along the South side of the land.
28. Terms and provisions of the Annexation and Development Agreement recorded January 19, 2001 as document number 0010049341.
29. Easement over the North half of Penny Road in favor of Northern Illinois Gas Company for the installation, relocation, renewal and removal of gas mains and appurtenances, as created by grant recorded on March 13, 1998 as document 98199546.
30. Note: Compliance with the provisions of the "Plat Act" chapter 109, of the Illinois Revised Statutes, may be necessary prior to recording any conveyance of the land.
31. Right of tenants under existing unrecorded leases and of all parties claiming by, through or under them.
32. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records. NOTE: the company should be furnished with an ALTA loan and extended coverage policy statement.
33. Subject to encroachments, overlaps, unrecorded easements and other adverse matters, which may be disclosed by an accurate survey of the land made in accordance with Illinois survey and ALTA/ACM survey standards.

A.L.T.A. Commitment - Schedule B - Continued

34. Any lien or right to a lien as established pursuant to the provisions of the commercial real estate broker lien act.
35. We should be furnished a statement that there is no property manager employed to manage the land, or, in the alternative, a final lien waiver from any such property manager.
36. Note: We have learned that the United States department has interpreted the statute 42 USC 3604 to mean title companies are prohibited from either providing copies of, or reflecting as exceptions in title commitments, preliminary reports or policies, restrictive covenants which are in violation of the statute. In light of this interpretation, we believe it necessary to include the following "carve out" as part of the language of any exception for restrictive covenants included in all title evidence:

If any document referenced herein contains a covenant, condition or restriction violative of 42usc 3604(c), such covenant, condition or restriction to the extent of such violation is hereby deleted.

37. Relative to the new improvements on the subject land we must be furnished the following documentation:

A. Contractor's affidavits and satisfactory mechanic lien waivers.

B. Current "ALTA" survey.

C. New construction: please contact our construction escrow department at (312) 419-3913 with questions or comments. Sworn statements, waivers and affidavits should be submitted 5 days prior to closing.

38. Terms, provisions, conditions and limitations of the trust agreement under which title to the subject property is held.

- ~~39. Owners extended coverage relative to the deletion of any or all of the 5 standard exceptions for the owner's policy will be considered only upon the following being provided to Near North National Title corporation:~~

~~Standard exceptions 1 and 2~~

~~All existing leases, which have not been recorded in full, which affect any interest in the property described herein should be produced at this company and left for inspection. Any other right's, options, or agreements should be disclosed in writing. A properly executed ALTA form 109, will also be required.~~

~~Letters should be obtained from the various utility companies and the cable company serving the area in which the land is located, which state that they either have no facilities, easements, or equipment in the land, or which locates the facilities, easements or equipment. Also, a letter from the village engineer or other official in charge of sewer and water lines, would be obtained either stating that the land contains no such conduits or which locates the sewer and water lines.~~

~~Note: allow 30 days for responses.~~

~~Standard exception number 3:~~

~~we should be furnished with an "ALTA" survey certified to include Near North National Title corporation which is dated within the last six months and shows all improvements completed or substantially completed. When requesting issuance of a survey for this purpose, the surveyor must be informed to adhere to compliance with Illinois land survey standards or ALTA/ASCM requirements.~~

~~Standard exception number 4:~~

~~A properly executed ALTA form 109 signed by all parties holding title to or contract interest to the land and improvements thereon during the last six months must be provided.~~

~~Relative to any new improvements, remodeling or repairs made within the last six months, satisfactory evidence of the payment in full of labor and materials in the form of contractors' affidavits and completed mechanic's lien waivers. Refer to the commitment jacket for additional details.~~

~~Standard exception number 5.~~

A.L.T.A. Commitment - Schedule B - Continued

~~The pendency of any special assessments or special taxes should be disclosed, if known to the parties.~~

Note: all matters disclosed by any of the aforementioned documentation will be shown as specific matters on schedule b.

All requirements must be furnished prior to the closing date to allow sufficient time for consideration by Near North National Title Corporation. Premiums for this coverage will be quoted upon request. Contact the underwriting department.

40. Any questions concerning underwriting, coverage or legal issues should be referred to the underwriting department of Near North National Title Corporation at (312) 419-3900.

To schedule a closing please contact the escrow department of Near North National Title corporation at (312) 419-3900.

41. Note: policy when issued will not be considered valid until all fees invoiced relative to said policy are paid in full.

Note: the policies issued will be ALTA 1992 form policies, unless otherwise specified.

~~42. This is a commitment for a Ticor Title Insurance Company policy.~~

ISSUING AGENT

BY:



AUTHORIZED SIGNATORY

NEAR NORTH NATIONAL TITLE CORPORATION

222 N. LaSalle Street
Chicago, IL 60601

(312) 419-3900

FAX: (312) 419-0778

Exhibit F

NOTICE OF EXERCISE OF OPTION N

1. Pursuant to the terms of the Consent Decree entered in Cook County Case No. 01 CH 14950 between The Woods of South Barrington, et al., Plaintiffs, and The Village of South Barrington, Defendant (the "Consent Decree"), the undersigned (the "Purchaser") agrees to purchase at a price of \$2,850,000.00* on the terms set forth in the Consent Decree and herein, the real estate in Cook County, Illinois, known in the Consent Decree as Area N (the "real estate" or the "Property"), as shown in the Community Development Guidelines which are Exhibit B to the Consent Decree.

2. Upon delivery of this Notice, Woods of South Barrington, LLC, a Delaware limited liability company, (the "Seller") is bound to sell the real estate, at the price and terms set forth herein, and to convey or cause to be conveyed to the Purchaser title thereto by a recordable Trustees deed, with release of homestead rights, if any, subject only to such covenants, conditions and restrictions of record and private, public and utility easements and roads and highways, if any shown on Exhibit X hereto as may be applicable to the Property to be sold pursuant hereto; general taxes for the year 2003 and subsequent years.

3. Purchaser has paid to Seller herewith \$25,000.00 as non-refundable earnest money to be applied on the purchase price, and agrees to pay or satisfy the balance of the purchase price, being \$2,825,000*, plus or minus prorations, at the time of closing.

4. Seller, at its own expense, agrees to furnish Purchaser a current plat of survey of the above real estate made, and so certified by the surveyor as having been made, in compliance with the Illinois Land Survey Standards and the Consent Decree.

5. The time of closing shall be 90 days after the date Purchaser delivers this Notice to Seller or on the date, if any, to which such time is extended by reason of the Conditions and Stipulations hereafter becoming operative (whichever date is later), unless subsequently mutually agreed otherwise, at the office of the Seller's title insurer provided title is shown to be good or is accepted by Purchaser.

* It is understood, however, that this figure shall be reduced by \$430,000, if Area C is purchased with this Area N.

This Notice is subject to the Consent Decree and the Conditions and Stipulations set forth below, which Conditions and Stipulations are made a part of this Notice.

Purchaser:

By: _____ Dated _____

Woods of South Barrington, LLC, as Seller, is bound by the following conditions set forth herein upon delivery of this Notice duly executed by the authorized corporate authority of

Purchaser:

CONDITIONS AND STIPULATIONS

1. Seller shall deliver or cause to be delivered to Purchaser or Purchaser's agent, not less than 5 days prior to the time of closing, the plat of survey (if one is required to be delivered under the terms of this contract) and a title commitment for an owner's title insurance policy issued by a title company authorized to do business in Illinois, in the amount of the purchase price, covering title to the real estate on or after the date hereof, showing title in the intended grantor subject only to (a) the general exceptions contained in the policy, (b) the title exceptions set forth in paragraph 2 on the first page hereof, and (c) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of closing and which the Seller may so remove at that time by using the funds to be paid upon the delivery of the deed (all of which are herein referred to as the permitted exceptions). The title commitment shall be conclusive evidence of good title as therein shown as to all matters insured by the policy, subject only to the exceptions as therein stated. Seller also shall furnish Purchaser an affidavit of title in customary form covering the date of closing and showing title in Seller subject only to the permitted exceptions in foregoing items (b) and (c) and unpermitted exceptions or defects in the title disclosed by the survey, if any, as to which the title insurer commits to extend insurance in the manner specified in paragraph 2 below.
2. If the title commitment or plat of survey (if one is required to be delivered under the terms of this agreement) discloses either unpermitted exceptions or survey matters that render the title unmarketable (herein referred to as "survey defects"), Seller shall have 30 days from the date of delivery thereof to have the exceptions removed from the commitment or to correct such survey defects or to have the title insurer commit to insure against loss or damage that may be occasioned by such exceptions or survey defects, and, in such event, the time of closing shall be 35 days after delivery of the commitment or the time expressly specified in paragraph 2 on the first page hereof, whichever is later. If Seller fails to have the exceptions removed or correct any survey defects, or in the alternative, to obtain the commitment for title insurance specified above as to such exceptions or survey defects within the specified time, Purchaser may terminate this agreement or may elect, upon notice to Seller within 10 days after the expiration of the 30-day period, to take title as it then is with the right to deduct from the purchase price liens or encumbrances of a definite or ascertainable amount. If Purchaser does not so elect, this agreement shall become null and void without further action of the parties.
3. General taxes shall be adjusted ratably as of the time of closing. The amount of the current general taxes not then ascertainable shall be adjusted on the basis of 100% of the most recent ascertainable taxes with Seller to reprorate upon issuance of final tax bills for 2003, and if applicable 2004.
4. All prorations are final unless otherwise provided herein. Seller shall pay the amount of any stamp tax imposed by State law on the transfer of the title, and shall furnish a completed Real Estate Transfer Declaration signed by the Seller or the Seller's agent in the form required pursuant to the Real Estate Transfer Tax Act of the State of Illinois and shall furnish any declaration signed by the Seller or the Seller's agent or meet other requirements as established by any local ordinance with regard to a transfer or transaction tax; such tax required by local ordinance shall be paid by the party upon whom such ordinance places responsibility therefore.

5. This sale shall be closed through an escrow with Seller's title insurer, in accordance with the general provisions of the usual form of Deed and Money Escrow Agreement then in use by the title company, with such special provisions inserted in the escrow agreement as may be required to conform with this contract. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of purchase price and delivery of deed shall be made through the escrow and this agreement shall be deposited in the escrow. The cost of the escrow shall be divided equally between Seller and Purchaser.
6. Time is of the essence of this agreement.
7. All notices herein required shall be in writing and shall be served on the parties at the addresses in care of their respective attorneys. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service.
8. Seller represents that he is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code and is therefore exempt from the withholding requirements of said Section. Seller will furnish Purchaser at closing the Exemption Certification set forth in said Section.
9. Purchaser agrees that it is accepting the Property "as is, with all faults," and that Seller has not made (and shall not be deemed to have made) any representations or warranties with respect thereto.
10. Purchaser agrees:
 - a. That the covenants, conditions and restrictions contemplated by the Annexation and Development Agreement recorded in Cook County as Document No. 0010049341 (the "Annexation Agreement") shall encumber the Property (each a "Declaration"), whether recorded before or after the Closing, and shall be permitted title exceptions, added to paragraph 2 on the first page of this Notice. If any Declaration to be recorded in accordance with the terms of the Annexation Agreement (including but not limited to the Declaration of the Master Association) shall not have been placed of record prior to closing of the sale contemplated hereby, Purchaser shall join in such Declaration as may be required to cause the Declaration to be effective against the Property.
 - b. Purchaser agrees to grant Seller access to the Property from time to time, as Seller may request, to complete the work contemplated by the Final PUD Plans, Final Subdivision Plat, Final Engineering Plans and Final Wetlands Planting Plans, all as defined in the Annexation Agreement ("the "Plans"), including, but not limited to, any work required to complete grading, or installation of the Sanitary Sewer Improvements, Water Improvements, and Stormwater Improvements, in accordance with such final Plans, and agree that the Property shall be subject to all of such Plans.
 - c. Purchaser's ownership of the Property shall not give Purchaser any right to require any modifications of any proposed Declaration or Plan, other than its rights as a municipal corporation as set forth in the Annexation Agreement.
 - d. The Purchaser's covenants in this paragraph 10 shall survive the closing of the transaction contemplated hereby forever, shall be binding upon the Purchaser, its successors and assigns, and inure to the benefit of Seller, its successors and assigns.

EXHIBIT X

NEAR NORTH NATIONAL TITLE CORPORATION
ISSUING AGENT

A.L.T.A. COMMITMENT

SCHEDULE B

Number: N01010865

Schedule B of the policy or policies to be issued will contain the exceptions shown on the inside front cover of this commitment and the following exceptions, unless same are disposed of to the satisfaction of the Company;

1. ~~General real estate taxes for the years 2000 and 2001. Tax numbers 01-21-202-003, 01-21-204-004, 01-21-400-001, 01-28-200-005, 01-28-200-006, 01-28-200-008, 01-28-400-001, 01-28-401-001, 01-28-402-001, 01-33-200-005, 01-33-200-006, 01-33-200-009, 01-33-200-011, 01-33-200-012, 01-33-200-014 and 01-33-200-015.~~

Note: The first installment of the 2000 taxes has been paid as follows:

01-21-202-003 \$99.29
01-21-204-004 \$246.02
01-21-400-001 \$5,060.50
01-28-200-005 \$522.86
01-28-200-006 \$471.69
01-28-400-001 \$392.47
01-28-401-001 \$392.47
01-28-402-001 \$825.61
01-33-200-005 \$532.80
01-33-200-006 \$4,713.61
01-33-200-009 \$163.85
01-33-200-011 \$21.59
01-33-200-012 \$576.48
01-33-200-014 \$83.40
01-33-200-015 \$442.17

Note: The first installment of the 2000 taxes has not been paid for the following tax number: 01-28-200-008 \$11,786.11

~~Note: The second installment of the 2000 taxes and the 2001 taxes are not yet due and payable.~~

2. ~~General real estate taxes for the year 1997, as to tax number 01-21-204-004.~~

~~The first installment in the amount of \$317.75 is paid, Note: The tax record shows an additional payment of \$317.75 made on the first installment.~~

~~The final installment amounting to \$369.73 is unpaid. \$51.98 paid on account. Balance unpaid of record.~~

~~Note: The second installment of the 2000 taxes and the 2001 taxes are not yet due and payable.~~

3. ~~Mortgage dated August 24, 1987, and recorded September 16, 1987, as document number 87507677, made by LaSalle National Bank, as trustee under trust agreement dated May 6, 1975, and known as trust number 48845, to Suburban bank of Barrington, to secure an indebtedness of \$280,000.00.~~

~~(Affects part of Parcel 2).~~

4. ~~Mortgage dated December 18, 1992, and recorded January 19, 1993, as document number 93045115, made by LaSalle National Trust N.A. as trustee under trust number 44666, and Klehm Properties Inc., to Equitable Life Assurance Society of the United States, to secure an indebtedness of \$2,000,000.00.~~

~~(Affects part of Parcel 2 and other property).~~

A.L.T.A. Commitment - Schedule B - Continued

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- (Affects part of Parcel 2 and other property).
13. Security interest of American National Bank and Trust Company of Chicago, under a financing statement executed by LaSalle National Bank, as trustee under trust agreement dated December 20, 1974, and known as trust number 48413, and filed August 24,

A.L.T.A. Commitment - Schedule B - Continued

~~1999, as document number 99U09013.~~

~~14. Security interest of American National Bank and Trust of Chicago, under a financing statement executed by LaSalle National Bank, as trustee under trust agreement dated December 20, 1974, and known as trust number 48413, and filed August 24, 1999, as document number 99805854.~~

15. Rights of the Illinois Bell Telephone Company to construct, reconstruct, operate and maintain its underground wires, terminals and associated equipment upon, under and along public highway on or adjoining the land which first parties own in Northwest 1/4 of Section 32, Township 42 North, Range 9 under agreement dated July 7, 1934 and recorded July 21, 1937, as document number 120029896.

(Affects Parcel 2).

16. Rights and easement for the County of Cook to establish, construct and maintain a drainage system, over, upon and under of the land described as follows: beginning at the intersection of the center line of Bartlett Road and the center line of a Portland cement concrete culvert on the East line of Section 21, aforesaid 1, 261 feet more or less South of the Northeast corner of culvert, which forms an angle of 87 degrees 11 minutes with the East line of Section 21 aforesaid, measured from North to West, to a catch basin; thence Northwesterly 725.7 feet along a street line which forms an angle of 147 degrees with the last described course measured from East to Northwest to a catch basin in Sutton Road, said catch basin being 632.22 feet West of East line of said Section 21 measured at right angles to the East line of Section 21 aforesaid, and 843.5 feet South of the Northeast corner of said Section 21 as contained in the agreement between First Trust Joint Stock Land Bank of Chicago with County of Cook dated January 27, 1938 and recorded February 11, 1938 as document 12118589 and as contained in the agreement from Charles H. Hilton and Katherine F. Hilton his wife with County of Cook dated January 27, 1938 and recorded February 11, 1938 as document 12118590.

(Affects Parcel 2)

17. Dedication of part of the land for public highway as per Plat of Dedication by Howard V. Kennington and Gertrude M. Kennington his wife recorded October 30, 1934 as document 11490646.

18. Easement only for drainage of waste water and the disposal field for septic waste as reserved by deeds recorded as documents 23102269 and 23102270 over the following described property:

That part of the East 1/2 of the Northeast 1/4 of Section 21, Township 42 North, Range 9 East of the Third Principal Meridian described as follows:

Commencing at the Northeast corner of said Section 21; thence South 00 degrees 00 minutes 05 seconds East, 1,637.02 feet along the East line of said Section 21; thence South 89 degrees 54 minutes 48 seconds West, 50 feet to a point on the West right of way line of Bartlett Road; thence Northeasterly along the said West right of way, (said right of way line being a curve concave to the East, with a radius of 5,779.65 feet and the tangent bears North 00 degrees 05 minutes 12 seconds West), 781.05 feet; thence South 82 degrees 10 minutes 12 Seconds West, 212.88 feet; thence North 00 degrees 00 minutes 00 seconds 600 feet to the true point of beginning; thence North 37 degrees 12 minutes 11 seconds East to the North line of said Section 21; thence West along the said North line to the Easterly line of Sutton; thence Southwesterly along the said Easterly line of Sutton Road to a line drawn due West from the point of beginning; thence East along said line to the point of beginning in Cook County, Illinois for the benefit of the following described land:

That part of Sections 15, 16, 21 and 22, Township 42 North, Range 9 East of the Third Principal Meridian, described as follows: Commencing at the Northeast corner of said Section 21; thence South 00 degrees 00 minutes 05 seconds East, 1,637.02 feet along the East line of said Section 21; thence South 89 degrees 54 minutes 48 seconds West, 50.00 feet to a point on the West right of way of Bartlett road; thence Northeasterly along the said West right of way line, (said right of way line being a curve concave to the East, with a radius of 5,779.65 feet and the tangent bears North 00 degrees 05 minutes 12 seconds West), 781.05 feet to the true point of beginning; thence continuing Northeast along said West right of way curve line 818.65 feet, the radial to said curve, North 74 degrees 03 minutes 14 seconds West 222.00 feet; thence South 37 degrees 12 minutes 11 seconds West, 288.77 feet; thence South 00 degrees 00 minutes 600.00 feet; thence South 82 degrees 10 minutes 12 seconds East, 212.88 feet to the point of beginning in Cook County, Illinois.

(Affects Parcel 2).

A.L.T.A. Commitment - Schedule B - Continued

19. This commitment and any policy issued pursuant thereto shall not be construed as insuring any part of the land taken for condemnation in cases 94L50014 and 94L50015.

(Affects Parcel 1)

20. Rights of the public, State of Illinois and the Municipality, in and to that part of the land falling in Penny Road and Bartlett Road.
21. Easements for pipeline and ingress and egress as disclosed by Grant from Albert F. Potter and Eleanor Potter his wife to Texas Illinois Natural Gas Pipeline Company dated June 9, 1951 and recorded June 22, 1951 as document 15106713 and all rights thereunder of, and all acts done or suffered thereunder by, said Texas Illinois Natural Gas Pipeline Company or by any party claiming by, through or under said company.

Note: By indenture of conveyance dated December 15, 1959, and recorded December 21, 1959 as document 17740181, Texas Illinois Natural Gas Pipeline Company, a corporation of Delaware, conveyed to Peoples Gulf Coast Natural Gas Pipeline Company a corporation of Delaware, all right, title, interest, claim or privilege in and to the Grant noted above.

22. Rights of way for drainage titles, ditches, feeders laterals and underground pipes, if any.
23. Rights of the public, the state of Illinois and county of Cook in and to that part of the land described in document 11113029 and dedicated for state highway 59 but never used.
24. Agreement recorded as document 5940284 relating to drainage.

(Affects part of Parcel 1)

25. Easement in favor of Northern Illinois Gas Company, and its/their respective successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the grant recorded/filed as document no. 95304146, affecting the part of Parcel 5 falling in that part of the West 1/2 of Bartlett Road in the Southeast 1/4 of Section 33 of the land.
26. Easement in favor of Northern Illinois Gas Company, and its/their respective Successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the grant recorded/filed as document no. 25696255, affecting the part of Parcel 1 falling in that part of West Bartlett Road in the Southeast 1/4 of Section 28 of the land.
27. Easement in favor of Northern Illinois Gas Company, and its/their respective successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the grant recorded/filed as document no. 98199546, affecting the right of access in, under, along and across the North half of the public highway known as Penny Road which extends along the South side of the land.
28. Terms and provisions of the Annexation and Development Agreement recorded January 19, 2001 as document number 0010049341.
29. Easement over the North half of Penny Road in favor of Northern Illinois Gas Company for the installation, relocation, renewal and removal of gas mains and appurtenances, as created by grant recorded on March 13, 1998 as document 98199546.
30. Note: Compliance with the provisions of the "Plat Act" chapter 109, of the Illinois Revised Statutes, may be necessary prior to recording any conveyance of the land.
31. Right of tenants under existing unrecorded leases and of all parties claiming by, through or under them.
32. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records. NOTE: the company should be furnished with an ALTA loan and extended coverage policy statement.
33. Subject to encroachments, overlaps, unrecorded easements and other adverse matters, which may be disclosed by an accurate survey of the land made in accordance with Illinois survey and ALTA/ACM survey standards.

A.L.T.A. Commitment - Schedule B - Continued

34. Any lien or right to a lien as established pursuant to the provisions of the commercial real estate broker lien act.
35. We should be furnished a statement that there is no property manager employed to manage the land, or, in the alternative, a final lien waiver from any such property manager.
36. Note: We have learned that the United States department has interpreted the statute 42 USC 3604 to mean title companies are prohibited from either providing copies of, or reflecting as exceptions in title commitments, preliminary reports or policies, restrictive covenants which are in violation of the statute. In light of this interpretation, we believe it necessary to include the following "carve out" as part of the language of any exception for restrictive covenants included in all title evidence:

If any document referenced herein contains a covenant, condition or restriction violative of 42usc 3604(c), such covenant, condition or restriction to the extent of such violation is hereby deleted.

37. Relative to the new improvements on the subject land we must be furnished the following documentation:

A. Contractor's affidavits and satisfactory mechanic lien waivers.

B. Current "ALTA" survey.

C. New construction: please contact our construction escrow department at (312) 419-3913 with questions or comments. Sworn statements, waivers and affidavits should be submitted 5 days prior to closing.

38. Terms, provisions, conditions and limitations of the trust agreement under which title to the subject property is held.

- ~~39. Owners extended coverage relative to the deletion of any or all of the 5 standard exceptions for the owner's policy will be considered only upon the following being provided to Near North National Title corporation:~~

~~Standard exceptions 1 and 2~~

~~All existing leases, which have not been recorded in full, which affect any interest in the property described herein should be produced at this company and left for inspection. Any other right's, options, or agreements should be disclosed in writing. A properly executed ALTA form 109, will also be required.~~

~~Letters should be obtained from the various utility companies and the cable company serving the area in which the land is located, which state that they either have no facilities, easements, or equipment in the land, or which locates the facilities, easements or equipment. Also, a letter from the village engineer or other official in charge of sewer and water lines, would be obtained either stating that the land contains no such conduits or which locates the sewer and water lines.~~

~~Note: allow 30 days for responses.~~

~~Standard exception number 3:~~

~~we should be furnished with an "ALTA" survey certified to include Near North National Title corporation which is dated within the last six months and shows all improvements completed or substantially completed. When requesting issuance of a survey for this purpose, the surveyor must be informed to adhere to compliance with Illinois land survey standards or ALTA/ASCM requirements.~~

~~Standard exception number 4:~~

~~A properly executed ALTA form 109 signed by all parties holding title to or contract interest to the land and improvements thereon during the last six months must be provided.~~

~~Relative to any new improvements, remodeling or repairs made within the last six months, satisfactory evidence of the payment in full of labor and materials in the form of contractors' affidavits and completed mechanic's lien waivers. Refer to the commitment jacket for additional details.~~

~~Standard exception number 5.~~

A.L.T.A. Commitment - Schedule B - Continued

~~The pendency of any special assessments or special taxes should be disclosed, if known to the parties.~~

Note: all matters disclosed by any of the aforementioned documentation will be shown as specific matters on schedule b.

All requirements must be furnished prior to the closing date to allow sufficient time for consideration by Near North National Title Corporation. Premiums for this coverage will be quoted upon request. Contact the underwriting department.

40. Any questions concerning underwriting, coverage or legal issues should be referred to the underwriting department of Near North National Title Corporation at (312) 419-3900.

To schedule a closing please contact the escrow department of Near North National Title corporation at (312) 419-3900.

41. Note: policy when issued will not be considered valid until all fees invoiced relative to said policy are paid in full.

Note: the policies issued will be ALTA 1992 form policies, unless otherwise specified.

- ~~42. This is a commitment for a Ticor Title Insurance Company policy.~~

ISSUING AGENT

BY:



AUTHORIZED SIGNATORY

NEAR NORTH NATIONAL TITLE CORPORATION

222 N. LaSalle Street
Chicago, IL 60601

(312) 419-3900
FAX: (312) 419-0778

EXHIBIT B

NOTICE OF EXERCISE OF OPTION C

1. Pursuant to the terms of the Consent Decree entered in Cook County Case No. 01 CH 14950 between The Woods of South Barrington, et al., Plaintiffs, and The Village of South Barrington, Defendant (the "Consent Decree"), the undersigned (the "Purchaser") agrees to purchase at a price of \$2,210,000.00* on the terms set forth in the Consent Decree and herein, the real estate in Cook County, Illinois, known in the Consent Decree as Area C (the "real estate" or the "Property"), as shown in the Community Development Guidelines which are Exhibit B to the Consent Decree.

2. Upon delivery of this Notice, Woods of South Barrington, LLC, a Delaware limited liability company, (the "Seller") is bound to sell the real estate, at the price and terms set forth herein, and to convey or cause to be conveyed to the Purchaser title thereto by a recordable Trustees deed, with release of homestead rights, if any, subject only to such covenants, conditions and restrictions of record and private, public and utility easements and roads and highways, if any shown on Exhibit X hereto as may be applicable to the Property to be sold pursuant hereto; general taxes for the year 2003 and subsequent years.

3. Purchaser had paid to Seller herewith \$25,000.00 as non-refundable earnest money to be applied on the purchase price, and agrees to pay or satisfy the balance of the purchase price, being \$2,185,000*, plus or minus prorations, at the time of closing.

4. Seller, at its own expense, agrees to furnish Purchaser a current plat of survey of the above real estate made, and so certified by the surveyor as having been made, in compliance with the Illinois Land Survey Standards and the Consent Decree.

5. The time of closing shall be 90 days after the date Purchaser delivers this Notice to Seller or on the date, if any, to which such time is extended by reason of the Conditions and Stipulations hereafter becoming operative (whichever date is later), unless subsequently mutually agreed otherwise, at the office of the Seller's title insurer provided title is shown to be good or is accepted by Purchaser.

* It is understood, however, that this figure shall be reduced by \$430,000, if Area N is purchased with this Area C.

This Notice is subject to the Consent Decree and the Conditions and Stipulations set forth below, which Conditions and Stipulations are made a part of this Notice.

Purchaser:
Village of South Barrington,
an Illinois municipal corporation

By: _____

Dated: March, 2004

Woods of South Barrington, LLC, as Seller, is bound by the following conditions set forth herein upon delivery of this Notice duly executed by the authorized corporate authority of Purchaser:

CONDITIONS AND STIPULATIONS

1. Seller shall deliver or cause to be delivered to Purchaser or Purchaser's agent, not less than 5 days prior to the time of closing, the plat of survey (if one is required to be delivered under the terms of this contract) and a title commitment for an owner's title insurance policy issued by a title company authorized to do business in Illinois, in the amount of the purchase price, covering title to the real estate on or after the date hereof, showing title in the intended grantor subject only to (a) the general exceptions contained in the policy, (b) the title exceptions set forth in paragraph 2 on the first page hereof, and (c) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of closing and which the Seller may so remove at that time by using the funds to be paid upon the delivery of the deed (all of which are herein referred to as the permitted exceptions). The title commitment shall be conclusive evidence of good title as therein shown as to all matters insured by the policy, subject only to the exceptions as therein stated. Seller also shall furnish Purchaser an affidavit of title in customary form covering the date of closing and showing title in Seller subject only to the permitted exceptions in foregoing items (b) and (c) and unpermitted exceptions or defects in the title disclosed by the survey, if any, as to which the title insurer commits to extend insurance in the manner specified in paragraph 2 below.

2. If the title commitment or plat of survey (if one is required to be delivered under the terms of this agreement) discloses either unpermitted exceptions or survey matters that render the title unmarketable (herein referred to as "survey defects"), Seller shall have 30 days from the date of delivery thereof to have the exceptions removed from the commitment or to correct such survey defects or to have the title insurer commit to insure against loss or damage that may be occasioned by such exceptions or survey defects, and, in such event, the time of closing shall be 35 days after delivery of the commitment or the time expressly specified in paragraph 2 on the first page hereof, whichever is later. If Seller fails to have the exceptions removed or correct any survey defects; or in the alternative, to obtain the commitment for title insurance specified above as to such exceptions or survey defects within the specified time, Purchaser may terminate this agreement or may elect, upon notice to Seller within 10 days after the expiration of the 30-day period, to take title as it then is with the right to deduct from the purchase price liens or encumbrances of a definite or ascertainable amount. If Purchaser does not so elect, this agreement shall become null and void without further action of the parties.

3. General taxes shall be adjusted ratably as of the time of closing. The amount of the current general taxes not then ascertainable shall be adjusted on the basis of 100% of the most recent ascertainable taxes with Seller to reproporate upon issuance of final tax bills for 2003, and if applicable 2004.

4. All prorations are final unless otherwise provided herein. Seller shall pay the amount of any stamp tax imposed by State law on the transfer of the title, and shall furnish a completed Real Estate Transfer Declaration signed by the Seller or the Seller's agent in the form required pursuant to the Real Estate Transfer Tax Act of the State of Illinois and shall furnish any declaration signed by the Seller or the Seller's agent or meet with other requirements as established by any local ordinance

with regard to a transfer or transaction tax; such tax required by local ordinance shall be paid by the party upon whom such ordinance places responsibility therefore.

5. This sale shall be closed through an escrow with Seller's title insurer, in accordance with the general provisions of the usual form of Deed and Money Escrow Agreement then in use by the title company, with such special provisions inserted in the escrow agreement as may be required to conform with this contract. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of purchase price and delivery of deed shall be made through the escrow and this agreement shall be deposited in the escrow. The cost of the escrow shall be divided equally between Seller and Purchaser.

6. Time is of the essence of this agreement.

7. All notices herein required shall be in writing and shall be served on the parties at the addresses in care of their respective attorneys. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service.

8. Seller represents that he is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code and is therefore exempt from the withholding requirements of said Section. Seller will furnish Purchaser at closing the Exemption Certification set forth in said Section.

9. Purchaser agrees that it is accepting the Property "as is, with all faults," and that Seller has not made (and shall not be deemed to have made) any representations or warranties with respect thereto.

10. Purchaser agrees:

a. That the covenants, conditions and restrictions contemplated by the Annexation and Development Agreement recorded in Cook County as Document No. 0010049341 (the "Annexation Agreement") shall encumber the Property (each a "Declaration"), whether recorded before or after the Closing, and shall be permitted title exceptions, added to paragraph 2 on the first page of this Notice. If any Declaration to be recorded in accordance with the terms of the Annexation Agreement (including but not limited to the Declaration of the Master Association) shall not have been placed of record prior to closing of the sale contemplated hereby, Purchaser shall join in such Declaration as may be required to cause the Declaration to be effective against the Property.

b. Purchaser agrees to grant Seller access to the Property from time to time, as Seller may request, to complete the work contemplated by the Final PUD Plans, Final Subdivision Plat, Final Engineering Plans and Final Wetlands Planting Plans, all as defined in the Annexation Agreement (the "Plans"), including, but not limited to, any work required to complete grading, or installation of the Sanitary Sewer Improvements, Water Improvements, and Stormwater Improvements, in accordance with such final Plans, and agree that the Property shall be subject to all of such Plans.

c. Purchaser's ownership of the Property shall not give Purchaser any right to require any modifications of any proposed Declaration or Plan, other than its rights as a municipal corporation as set forth in the Annexation Agreement.

d. The Purchaser's covenants in this paragraph 10 shall survive the closing of the transaction contemplated hereby forever, shall be binding upon the Purchaser, its successors and assigns, and inure to the benefit of Seller, its successors and assigns.

EXHIBIT C

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF OPTION C

FOR VALUE RECEIVED, the Village of South Barrington, an Illinois municipal corporation ("assignor") in consideration of One (\$1.00) Dollar and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, does hereby conditionally assign, set over and convey to the South Barrington Park District, an Illinois Municipal Corporation ("Assignee"), all rights, title and interest of the Assignor in and to that certain Option C to acquire Area C pursuant to the terms of the Consent Decree, dated December 19, 2003, entered into by Assignor, and The Woods of South Barrington, LLC, et al. ("Consent Decree"). This Conditional Assignment and Assumption of Option C is subject to and pursuant to the terms and conditions of that certain Intergovernmental Agreement between Assignor and Assignee.

Dated: As of March _____, 2004.

The Village of South Barrington, an Illinois municipal corporation

By: _____

Printed Name: _____

Title: _____

FOR VALUE RECEIVED, Assignee does hereby accept the foregoing assignment from Assignor and agrees, on behalf of itself that, from and after the date hereof, Assignee shall be responsible for the performance of the obligations, duties, covenants and conditions of the Assignor under Option C of the Consent Decree. This Conditional Assignment and Assumption of Option C is subject to and pursuant to the terms and conditions of that certain Intergovernmental Agreement between Assignor and Assignee.

Dated: As of March _____, 2004.

The South Barrington Park District

By: _____

Printed Name: _____

Title: _____

EXHIBIT D

NOTICE OF EXERCISE OF OPTION N

1. Pursuant to the terms of the Consent Decree entered in Cook County Case No. 01 CH 14950 between The Woods of South Barrington, et al., Plaintiffs, and The Village of South Barrington, Defendant (the "Consent Decree"), the undersigned (the "Purchaser") agrees to purchase at a price of \$2,850,000.00* on the terms set forth in the Consent Decree and herein, the real estate in Cook County, Illinois, known in the Consent Decree as Area N (the "real estate" or the "Property"), as shown in the Community Development Guidelines which are Exhibit B to the Consent Decree.

2. Upon delivery of this Notice, Woods of South Barrington, LLC, a Delaware limited liability company, (the "Seller") is bound to sell the real estate, at the price and terms set forth herein, and to convey or cause to be conveyed to the Purchaser title thereto by a recordable Trustees deed, with release of homestead rights, if any, subject only to such covenants, conditions and restrictions of record and private, public and utility easements and roads and highways, if any shown on Exhibit X hereto as may be applicable to the Property to be sold pursuant hereto; general taxes for the year 2003 and subsequent years.

3. Purchaser had paid to Seller herewith \$25,000.00 as non-refundable earnest money to be applied on the purchase price, and agrees to pay or satisfy the balance of the purchase price, being \$2,825,000*, plus or minus prorations, at the time of closing.

4. Seller, at its own expense, agrees to furnish Purchaser a current plat of survey of the above real estate made, and so certified by the surveyor as having been made, in compliance with the Illinois Land Survey Standards and the Consent Decree.

5. The time of closing shall be 90 days after the date Purchaser delivers this Notice to Seller or on the date, if any, to which such time is extended by reason of the Conditions and Stipulations hereafter becoming operative (whichever date is later), unless subsequently mutually agreed otherwise, at the office of the Seller's title insurer provided title is shown to be good or is accepted by Purchaser.

* It is understood, however, that this figure shall be reduced by \$430,000, if Area C is purchased with this Area N.

This Notice is subject to the Consent Decree and the Conditions and Stipulations set forth below, which Conditions and Stipulations are made a part of this Notice.

Purchaser:
Village of South Barrington,
an Illinois municipal corporation

By: _____

Dated: March, 2004

Woods of South Barrington, LLC, as Seller, is bound by the following conditions set forth herein upon delivery of this Notice duly executed by the authorized corporate authority of Purchaser:

CONDITIONS AND STIPULATIONS

1. Seller shall deliver or cause to be delivered to Purchaser or Purchaser's agent, not less than 5 days prior to the time of closing, the plat of survey (if one is required to be delivered under the terms of this contract) and a title commitment for an owner's title insurance policy issued by a title company authorized to do business in Illinois, in the amount of the purchase price, covering title to the real estate on or after the date hereof, showing title in the intended grantor subject only to (a) the general exceptions contained in the policy, (b) the title exceptions set forth in paragraph 2 on the first page hereof, and (c) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of closing and which the Seller may so remove at that time by using the funds to be paid upon the delivery of the deed (all of which are herein referred to as the permitted exceptions). The title commitment shall be conclusive evidence of good title as therein shown as to all matters insured by the policy, subject only to the exceptions as therein stated. Seller also shall furnish Purchaser an affidavit of title in customary form covering the date of closing and showing title in Seller subject only to the permitted exceptions in foregoing items (b) and (c) and unpermitted exceptions or defects in the title disclosed by the survey, if any, as to which the title insurer commits to extend insurance in the manner specified in paragraph 2 below.

2. If the title commitment or plat of survey (if one is required to be delivered under the terms of this agreement) discloses either unpermitted exceptions or survey matters that render the title unmarketable (herein referred to as "survey defects"), Seller shall have 30 days from the date of delivery thereof to have the exceptions removed from the commitment or to correct such survey defects or to have the title insurer commit to insure against loss or damage that may be occasioned by such exceptions or survey defects, and, in such event, the time of closing shall be 35 days after delivery of the commitment or the time expressly specified in paragraph 2 on the first page hereof, whichever is later. If Seller fails to have the exceptions removed or correct any survey defects, or in the alternative, to obtain the commitment for title insurance specified above as to such exceptions or survey defects within the specified time, Purchaser may terminate this agreement or may elect, upon notice to Seller within 10 days after the expiration of the 30-day period, to take title as it then is with the right to deduct from the purchase price liens or encumbrances of a definite or ascertainable amount. If Purchaser does not so elect, this agreement shall become null and void without further action of the parties.

3. General taxes shall be adjusted ratably as of the time of closing. The amount of the current general taxes not then ascertainable shall be adjusted on the basis of 100% of the most recent ascertainable taxes with Seller to reproporate upon issuance of final tax bills for 2003, and if applicable 2004.

4. All prorations are final unless otherwise provided herein. Seller shall pay the amount of any stamp tax imposed by State law on the transfer of the title, and shall furnish a completed Real Estate Transfer Declaration signed by the Seller or the Seller's agent in the form required pursuant to the Real Estate Transfer Tax Act of the State of Illinois and shall furnish any declaration signed by the Seller or the Seller's agent or meet with other requirements as established by any local ordinance with regard to a transfer or transaction tax; such tax required by local ordinance shall be paid by the party upon whom such ordinance places responsibility therefore.

5. This sale shall be closed through an escrow with Seller's title insurer, in accordance with the general provisions of the usual form of Deed and Money Escrow Agreement then in use by the title company, with such special provisions inserted in the escrow agreement as may be required to conform with this contract. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of purchase price and delivery of deed shall be made through the escrow and this agreement shall be deposited in the escrow. The cost of the escrow shall be divided equally between Seller and Purchaser.

6. Time is of the essence of this agreement.

7. All notices herein required shall be in writing and shall be served on the parties at the addresses in care of their respective attorneys. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service.

8. Seller represents that he is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code and is therefore exempt from the withholding requirements of said Section. Seller will furnish Purchaser at closing the Exemption Certification set forth in said Section.

9. Purchaser agrees that it is accepting the Property "as is, with all faults," and that Seller has not made (and shall not be deemed to have made) any representations or warranties with respect thereto.

10. Purchaser agrees:

a. That the covenants, conditions and restrictions contemplated by the Annexation and Development Agreement recorded in Cook County as Document No. 0010049341 (the "Annexation Agreement") shall encumber the Property (each a "Declaration"), whether recorded before or after the Closing, and shall be permitted title exceptions, added to paragraph 2 on the first page of this Notice. If any Declaration to be recorded in accordance with the terms of the Annexation Agreement (including but not limited to the Declaration of the Master Association) shall not have been placed of record prior to closing of the sale contemplated hereby, Purchaser shall join in such Declaration as may be required to cause the Declaration to be effective against the Property.

b. Purchaser agrees to grant Seller access to the Property from time to time, as Seller may request, to complete the work contemplated by the Final PUD Plans, Final Subdivision Plat, Final Engineering Plans and Final Wetlands Planting Plans, all as defined in the Annexation Agreement (the "Plans"), including, but not limited to, any work required to complete grading, or installation of the Sanitary Sewer Improvements, Water Improvements, and Stormwater Improvements, in accordance with such final Plans, and agree that the Property shall be subject to all of such Plans.

c. Purchaser's ownership of the Property shall not give Purchaser any right to require any modifications of any proposed Declaration or Plan, other than its rights as a municipal corporation as set forth in the Annexation Agreement.

d. The Purchaser's covenants in this paragraph 10 shall survive the closing of the transaction contemplated hereby forever, shall be binding upon the Purchaser, its successors and assigns, and inure to the benefit of Seller, its successors and assigns.

EXHIBIT E

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF OPTION N

FOR VALUE RECEIVED, the Village of South Barrington, an Illinois municipal corporation ("assignor") in consideration of One (\$1.00) Dollar and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, does hereby conditionally assign, set over and convey to the South Barrington Park District, an Illinois Municipal Corporation ("Assignee"), all rights, title and interest of the Assignor in and to that certain Option N to acquire Area N pursuant to the terms of the Consent Decree, dated December 19, 2003, entered into by Assignor, and The Woods of South Barrington, LLC, et al. ("Consent Decree"). This Conditional Assignment and Assumption of Option N is subject to and pursuant to the terms and conditions of that certain Intergovernmental Agreement between Assignor and Assignee.

Dated: As of March _____, 2004.

The Village of South Barrington, an Illinois municipal corporation

By: _____

Printed Name: _____

Title: _____

FOR VALUE RECEIVED, Assignee does hereby accept the foregoing assignment from Assignor and agrees, on behalf of itself that, from and after the date hereof, Assignee shall be responsible for the performance of the obligations, duties, covenants and conditions of the Assignor under Option N of the Consent Decree. This Conditional Assignment and Assumption of Option N is subject to and pursuant to the terms and conditions of that certain Intergovernmental Agreement between Assignor and Assignee.

Dated: As of March _____, 2004.

The South Barrington Park District

By: _____

Printed Name: _____

Title: _____

THE KLEHM WOODS OF SOUTH BARRINGTON
DOCUMENTS DATED MARCH 12, 2004

NOTICE OF EXERCISE OF OPTION B

NOTICE OF EXERCISE OF OPTION C

NOTICE OF EXERCISE OF OPTION N

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF OPTION C

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF OPTION N

NOTICE OF EXERCISE OF OPTION B

1. Pursuant to the terms of the Consent Decree entered in Cook County Case No. 01 CH 14950 between The Woods of South Barrington, et al., Plaintiffs, and The Village of South Barrington, Defendant (the "Consent Decree"), the undersigned (the "Purchaser") agrees to purchase at a price of \$3,000,000.00 on the terms set forth in the Consent Decree and herein, the real estate in Cook County, Illinois, known in the Consent Decree as Area C (the "real estate" or the "Property"), as shown in the Community Development Guidelines which are Exhibit B to the Consent Decree.

2. Upon delivery of this Notice, Woods of South Barrington, LLC, a Delaware limited liability company, (the "Seller") is bound to sell the real estate, at the price and terms set forth herein, and to convey or cause to be conveyed to the Purchaser title thereto by a recordable Trustees deed, with release of homestead rights, if any, subject only to such covenants, conditions and restrictions of record and private, public and utility easements and roads and highways, if any shown on Exhibit X hereto as may be applicable to the Property to be sold pursuant hereto; general taxes for the year 2003 and subsequent years.

3. Purchaser had paid to Seller herewith \$25,000.00 as non-refundable earnest money to be applied on the purchase price, and agrees to pay or satisfy the balance of the purchase price, being \$2,975,000, plus or minus prorations, at the time of closing.

4. Seller, at its own expense, agrees to furnish Purchaser a current plat of survey of the above real estate made, and so certified by the surveyor as having been made, in compliance with the Illinois Land Survey Standards and the Consent Decree.

5. The time of closing shall be 90 days after the date Purchaser delivers this Notice to Seller or on the date, if any, to which such time is extended by reason of the Conditions and Stipulations hereafter becoming operative (whichever date is later), unless subsequently mutually agreed otherwise, at the office of the Seller's title insurer provided title is shown to be good or is accepted by Purchaser.

This Notice is subject to the Consent Decree and the Conditions and Stipulations set forth below, which Conditions and Stipulations are made a part of this Notice.

Purchaser: **The Village of South Barrington**

By: 

Dated: March 12, 2004

Woods of South Barrington, LLC, as Seller, is bound by the following conditions set forth herein upon delivery of this Notice duly executed by the authorized corporate authority of Purchaser:

DUPLICATE

CONDITIONS AND STIPULATIONS

1. Seller shall deliver or cause to be delivered to Purchaser or Purchaser's agent, not less than 5 days prior to the time of closing, the plat of survey (if one is required to be delivered under the terms of this contract) and a title commitment for an owner's title insurance policy issued by a title company authorized to do business in Illinois, in the amount of the purchase price, covering title to the real estate on or after the date hereof, showing title in the intended grantor subject only to (a) the general exceptions contained in the policy, (b) the title exceptions set forth in paragraph 2 on the first page hereof, and (c) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of closing and which the Seller may so remove at that time by using the funds to be paid upon the delivery of the deed (all of which are herein referred to as the permitted exceptions). The title commitment shall be conclusive evidence of good title as therein shown as to all matters insured by the policy, subject only to the exceptions as therein stated. Seller also shall furnish Purchaser an affidavit of title in customary form covering the date of closing and showing title in Seller subject only to the permitted exceptions in foregoing items (b) and (c) and unpermitted exceptions or defects in the title disclosed by the survey, if any, as to which the title insurer commits to extend insurance in the manner specified in paragraph 2 below.

2. If the title commitment or plat of survey (if one is required to be delivered under the terms of this agreement) discloses either unpermitted exceptions or survey matters that render the title unmarketable (herein referred to as "survey defects"), Seller shall have 30 days from the date of delivery thereof to have the exceptions removed from the commitment or to correct such survey defects or to have the title insurer commit to insure against loss or damage that may be occasioned by such exceptions or survey defects, and, in such event, the time of closing shall be 35 days after delivery of the commitment or the time expressly specified in paragraph 2 on the first page hereof, whichever is later. If Seller fails to have the exceptions removed or correct any survey defects, or in the alternative, to obtain the commitment for title insurance specified above as to such exceptions or survey defects within the specified time, Purchaser may terminate this agreement or may elect, upon notice to Seller within 10 days after the expiration of the 30-day period, to take title as it then is with the right to deduct from the purchase price liens or encumbrances of a definite or ascertainable amount. If Purchaser does not so elect, this agreement shall become null and void without further action of the parties.

3. General taxes shall be adjusted ratably as of the time of closing. The amount of the current general taxes not then ascertainable shall be adjusted on the basis of 100% of the most recent ascertainable taxes with Seller to reprorate upon issuance of final tax bills for 2003, and if applicable 2004.

4. All prorations are final unless otherwise provided herein. Seller shall pay the amount of any stamp tax imposed by State law on the transfer of the title, and shall furnish a completed Real Estate Transfer Declaration signed by the Seller or the Seller's agent in the form required pursuant to the Real Estate Transfer Tax Act of the State of Illinois and shall furnish any declaration signed by the Seller or the Seller's agent or meet with other requirements as established by any local ordinance with regard to a transfer or transaction tax; such tax required by local ordinance shall be paid by the party upon whom such ordinance places responsibility therefore.

5. This sale shall be closed through an escrow with Seller's title insurer, in accordance with the general provisions of the usual form of Deed and Money Escrow Agreement

DUPLICATE

then in use by the title company, with such special provisions inserted in the escrow agreement as may be required to conform with this contract. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of purchase price and delivery of deed shall be made through the escrow and this agreement shall be deposited in the escrow. The cost of the escrow shall be divided equally between Seller and Purchaser.

6. Time is of the essence of this agreement.

7. All notices herein required shall be in writing and shall be served on the parties at the addresses in care of their respective attorneys. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service.

8. Seller represents that he is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code and is therefore exempt from the withholding requirements of said Section. Seller will furnish Purchaser at closing the Exemption Certification set forth in said Section.

9. Purchaser agrees that it is accepting the Property "as is, with all faults," and that Seller has not made (and shall not be deemed to have made) any representations or warranties with respect thereto.

10. Purchaser agrees:

a. That the covenants, conditions and restrictions contemplated by the Annexation and Development Agreement recorded in Cook County as Document No. 0010049341 (the "Annexation Agreement") shall encumber the Property (each a "Declaration"), whether recorded before or after the Closing, and shall be permitted title exceptions, added to paragraph 2 on the first page of this Notice. If any Declaration to be recorded in accordance with the terms of the Annexation Agreement (including but not limited to the Declaration of the Master Association) shall not have been placed of record prior to closing of the sale contemplated hereby, Purchaser shall join in such Declaration as may be required to cause the Declaration to be effective against the Property.

b. Purchaser agrees to grant Seller access to the Property from time to time, as Seller may request, to complete the work contemplated by the Final PUD Plans, Final Subdivision Plat, Final Engineering Plans and Final Wetlands Planting Plans, all as defined in the Annexation Agreement (the "Plans"), including, but not limited to, any work required to complete grading, or installation of the Sanitary Sewer Improvements, Water Improvements, and Stormwater Improvements, in accordance with such final Plans, and agree that the Property shall be subject to all of such Plans.

c. Purchaser's ownership of the Property shall not give Purchaser any right to require any modifications of any proposed Declaration or Plan, other than its rights as a municipal corporation as set forth in the Annexation Agreement.

d. The Purchaser's covenants in this paragraph 10 shall survive the closing of the transaction contemplated hereby forever, shall be binding upon the Purchaser, its successors and assigns, and inure to the benefit of Seller, its successors and assigns.

NOTICE OF EXERCISE OF OPTION C

1. Pursuant to the terms of the Consent Decree entered in Cook County Case No. 01 CH 14950 between The Woods of South Barrington, et al., Plaintiffs, and The Village of South Barrington, Defendant (the "Consent Decree"), the undersigned (the "Purchaser") agrees to purchase at a price of \$2,210,000.00* on the terms set forth in the Consent Decree and herein, the real estate in Cook County, Illinois, known in the Consent Decree as Area C (the "real estate" or the "Property"), as shown in the Community Development Guidelines which are Exhibit B to the Consent Decree.

2. Upon delivery of this Notice, Woods of South Barrington, LLC, a Delaware limited liability company, (the "Seller") is bound to sell the real estate, at the price and terms set forth herein, and to convey or cause to be conveyed to the Purchaser title thereto by a recordable Trustees deed, with release of homestead rights, if any, subject only to such covenants, conditions and restrictions of record and private, public and utility easements and roads and highways, if any shown on Exhibit X hereto as may be applicable to the Property to be sold pursuant hereto; general taxes for the year 2003 and subsequent years.

3. Purchaser had paid to Seller herewith \$25,000.00 as non-refundable earnest money to be applied on the purchase price, and agrees to pay or satisfy the balance of the purchase price, being \$2,185,000*, plus or minus prorations, at the time of closing.

4. Seller, at its own expense, agrees to furnish Purchaser a current plat of survey of the above real estate made, and so certified by the surveyor as having been made, in compliance with the Illinois Land Survey Standards and the Consent Decree.

5. The time of closing shall be 90 days after the date Purchaser delivers this Notice to Seller or on the date, if any, to which such time is extended by reason of the Conditions and Stipulations hereafter becoming operative (whichever date is later), unless subsequently mutually agreed otherwise, at the office of the Seller's title insurer provided title is shown to be good or is accepted by Purchaser.

* It is understood, however, that this figure shall be reduced by \$430,000, if Area N is purchased with this Area C.

This Notice is subject to the Consent Decree and the Conditions and Stipulations set forth below, which Conditions and Stipulations are made a part of this Notice.

Purchaser:
Village of South Barrington,
an Illinois municipal corporation

By:  _____

Dated: March 12, 2004

Woods of South Barrington, LLC, as Seller, is bound by the following conditions set forth herein upon delivery of this Notice duly executed by the authorized corporate authority of Purchaser:

DUPLICATE

CONDITIONS AND STIPULATIONS

1. Seller shall deliver or cause to be delivered to Purchaser or Purchaser's agent, not less than 5 days prior to the time of closing, the plat of survey (if one is required to be delivered under the terms of this contract) and a title commitment for an owner's title insurance policy issued by a title company authorized to do business in Illinois, in the amount of the purchase price, covering title to the real estate on or after the date hereof, showing title in the intended grantor subject only to (a) the general exceptions contained in the policy, (b) the title exceptions set forth in paragraph 2 on the first page hereof, and (c) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of closing and which the Seller may so remove at that time by using the funds to be paid upon the delivery of the deed (all of which are herein referred to as the permitted exceptions). The title commitment shall be conclusive evidence of good title as therein shown as to all matters insured by the policy, subject only to the exceptions as therein stated. Seller also shall furnish Purchaser an affidavit of title in customary form covering the date of closing and showing title in Seller subject only to the permitted exceptions in foregoing items (b) and (c) and unpermitted exceptions or defects in the title disclosed by the survey, if any, as to which the title insurer commits to extend insurance in the manner specified in paragraph 2 below.

2. If the title commitment or plat of survey (if one is required to be delivered under the terms of this agreement) discloses either unpermitted exceptions or survey matters that render the title unmarketable (herein referred to as "survey defects"), Seller shall have 30 days from the date of delivery thereof to have the exceptions removed from the commitment or to correct such survey defects or to have the title insurer commit to insure against loss or damage that may be occasioned by such exceptions or survey defects, and, in such event, the time of closing shall be 35 days after delivery of the commitment or the time expressly specified in paragraph 2 on the first page hereof, whichever is later. If Seller fails to have the exceptions removed or correct any survey defects, or in the alternative, to obtain the commitment for title insurance specified above as to such exceptions or survey defects within the specified time, Purchaser may terminate this agreement or may elect, upon notice to Seller within 10 days after the expiration of the 30-day period, to take title as it then is with the right to deduct from the purchase price liens or encumbrances of a definite or ascertainable amount. If Purchaser does not so elect, this agreement shall become null and void without further action of the parties.

3. General taxes shall be adjusted ratably as of the time of closing. The amount of the current general taxes not then ascertainable shall be adjusted on the basis of 100% of the most recent ascertainable taxes with Seller to reproporate upon issuance of final tax bills for 2003, and if applicable 2004.

4. All prorations are final unless otherwise provided herein. Seller shall pay the amount of any stamp tax imposed by State law on the transfer of the title, and shall furnish a completed Real Estate Transfer Declaration signed by the Seller or the Seller's agent in the form required pursuant to the Real Estate Transfer Tax Act of the State of Illinois and shall furnish any declaration signed by the Seller or the Seller's agent or meet with other requirements as established by any local ordinance with regard to a transfer or transaction tax; such tax required by local ordinance shall be paid by the party upon whom such ordinance places responsibility therefore.

5. This sale shall be closed through an escrow with Seller's title insurer, in accordance with the general provisions of the usual form of Deed and Money Escrow Agreement then in use by the title company, with such special provisions inserted in the escrow agreement as may be required to conform with this contract. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of purchase price and delivery of deed shall be made through the escrow and this agreement shall be deposited in the escrow. The cost of the escrow shall be divided equally between Seller and Purchaser.

6. Time is of the essence of this agreement.

7. All notices herein required shall be in writing and shall be served on the parties at the addresses in care of their respective attorneys. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service.

8. Seller represents that he is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code and is therefore exempt from the withholding requirements of said Section. Seller will furnish Purchaser at closing the Exemption Certification set forth in said Section.

9. Purchaser agrees that it is accepting the Property "as is, with all faults," and that Seller has not made (and shall not be deemed to have made) any representations or warranties with respect thereto.

10. Purchaser agrees:

a. That the covenants, conditions and restrictions contemplated by the Annexation and Development Agreement recorded in Cook County as Document No. 0010049341 (the "Annexation Agreement") shall encumber the Property (each a "Declaration"), whether recorded before or after the Closing, and shall be permitted title exceptions, added to paragraph 2 on the first page of this Notice. If any Declaration to be recorded in accordance with the terms of the Annexation Agreement (including but not limited to the Declaration of the Master Association) shall not have been placed of record prior to closing of the sale contemplated hereby, Purchaser shall join in such Declaration as may be required to cause the Declaration to be effective against the Property.

b. Purchaser agrees to grant Seller access to the Property from time to time, as Seller may request, to complete the work contemplated by the Final PUD Plans, Final Subdivision Plat, Final Engineering Plans and Final Wetlands Planting Plans, all as defined in the Annexation Agreement (the "Plans"), including, but not limited to, any work required to complete grading, or installation of the Sanitary Sewer Improvements, Water Improvements, and Stormwater Improvements, in accordance with such final Plans, and agree that the Property shall be subject to all of such Plans.

c. Purchaser's ownership of the Property shall not give Purchaser any right to require any modifications of any proposed Declaration or Plan, other than its rights as a municipal corporation as set forth in the Annexation Agreement.

d. The Purchaser's covenants in this paragraph 10 shall survive the closing of the transaction contemplated hereby forever, shall be binding upon the Purchaser, its successors and assigns, and inure to the benefit of Seller, its successors and assigns.

NOTICE OF EXERCISE OF OPTION N

1. Pursuant to the terms of the Consent Decree entered in Cook County Case No. 01 CH 14950 between The Woods of South Barrington, et al., Plaintiffs, and The Village of South Barrington, Defendant (the "Consent Decree"), the undersigned (the "Purchaser") agrees to purchase at a price of \$2,850,000.00* on the terms set forth in the Consent Decree and herein, the real estate in Cook County, Illinois, known in the Consent Decree as Area N (the "real estate" or the "Property"), as shown in the Community Development Guidelines which are Exhibit B to the Consent Decree.

2. Upon delivery of this Notice, Woods of South Barrington, LLC, a Delaware limited liability company, (the "Seller") is bound to sell the real estate, at the price and terms set forth herein, and to convey or cause to be conveyed to the Purchaser title thereto by a recordable Trustees deed, with release of homestead rights, if any, subject only to such covenants, conditions and restrictions of record and private, public and utility easements and roads and highways, if any shown on Exhibit X hereto as may be applicable to the Property to be sold pursuant hereto; general taxes for the year 2003 and subsequent years.

3. Purchaser had paid to Seller herewith \$25,000.00 as non-refundable earnest money to be applied on the purchase price, and agrees to pay or satisfy the balance of the purchase price, being \$2,825,000*, plus or minus prorations, at the time of closing.

4. Seller, at its own expense, agrees to furnish Purchaser a current plat of survey of the above real estate made, and so certified by the surveyor as having been made, in compliance with the Illinois Land Survey Standards and the Consent Decree.

5. The time of closing shall be 90 days after the date Purchaser delivers this Notice to Seller or on the date, if any, to which such time is extended by reason of the Conditions and Stipulations hereafter becoming operative (whichever date is later), unless subsequently mutually agreed otherwise, at the office of the Seller's title insurer provided title is shown to be good or is accepted by Purchaser.

* It is understood, however, that this figure shall be reduced by \$430,000, if Area C is purchased with this Area N.

This Notice is subject to the Consent Decree and the Conditions and Stipulations set forth below, which Conditions and Stipulations are made a part of this Notice.

Purchaser:
Village of South Barrington,
an Illinois municipal corporation

By: 

Dated: March 12, 2004

DUPLICATE

Woods of South Barrington, LLC, as Seller, is bound by the following conditions set forth herein upon delivery of this Notice duly executed by the authorized corporate authority of Purchaser:

CONDITIONS AND STIPULATIONS

1. Seller shall deliver or cause to be delivered to Purchaser or Purchaser's agent, not less than 5 days prior to the time of closing, the plat of survey (if one is required to be delivered under the terms of this contract) and a title commitment for an owner's title insurance policy issued by a title company authorized to do business in Illinois, in the amount of the purchase price, covering title to the real estate on or after the date hereof, showing title in the intended grantor subject only to (a) the general exceptions contained in the policy, (b) the title exceptions set forth in paragraph 2 on the first page hereof, and (c) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of closing and which the Seller may so remove at that time by using the funds to be paid upon the delivery of the deed (all of which are herein referred to as the permitted exceptions). The title commitment shall be conclusive evidence of good title as therein shown as to all matters insured by the policy, subject only to the exceptions as therein stated. Seller also shall furnish Purchaser an affidavit of title in customary form covering the date of closing and showing title in Seller subject only to the permitted exceptions in foregoing items (b) and (c) and unpermitted exceptions or defects in the title disclosed by the survey, if any, as to which the title insurer commits to extend insurance in the manner specified in paragraph 2 below.

2. If the title commitment or plat of survey (if one is required to be delivered under the terms of this agreement) discloses either unpermitted exceptions or survey matters that render the title unmarketable (herein referred to as "survey defects"), Seller shall have 30 days from the date of delivery thereof to have the exceptions removed from the commitment or to correct such survey defects or to have the title insurer commit to insure against loss or damage that may be occasioned by such exceptions or survey defects, and, in such event, the time of closing shall be 35 days after delivery of the commitment or the time expressly specified in paragraph 2 on the first page hereof, whichever is later. If Seller fails to have the exceptions removed or correct any survey defects, or in the alternative, to obtain the commitment for title insurance specified above as to such exceptions or survey defects within the specified time, Purchaser may terminate this agreement or may elect, upon notice to Seller within 10 days after the expiration of the 30-day period, to take title as it then is with the right to deduct from the purchase price liens or encumbrances of a definite or ascertainable amount. If Purchaser does not so elect, this agreement shall become null and void without further action of the parties.

3. General taxes shall be adjusted ratably as of the time of closing. The amount of the current general taxes not then ascertainable shall be adjusted on the basis of 100% of the most recent ascertainable taxes with Seller to reproporate upon issuance of final tax bills for 2003, and if applicable 2004.

4. All prorations are final unless otherwise provided herein. Seller shall pay the amount of any stamp tax imposed by State law on the transfer of the title, and shall furnish a completed Real Estate Transfer Declaration signed by the Seller or the Seller's agent in the form required pursuant to the Real Estate Transfer Tax Act of the State of Illinois and shall furnish any declaration signed by the Seller or the Seller's agent or meet with other requirements as established by any local ordinance with regard to a transfer or transaction tax; such tax required by local ordinance shall be paid by the party upon whom such ordinance places responsibility therefore.

5. This sale shall be closed through an escrow with Seller's title insurer, in accordance with the general provisions of the usual form of Deed and Money Escrow Agreement then in use by the title company, with such special provisions inserted in the escrow agreement as may be required to conform with this contract. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of purchase price and delivery of deed shall be made through the escrow and this agreement shall be deposited in the escrow. The cost of the escrow shall be divided equally between Seller and Purchaser.

6. Time is of the essence of this agreement.

7. All notices herein required shall be in writing and shall be served on the parties at the addresses in care of their respective attorneys. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service.

8. Seller represents that he is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code and is therefore exempt from the withholding requirements of said Section. Seller will furnish Purchaser at closing the Exemption Certification set forth in said Section.

9. Purchaser agrees that it is accepting the Property "as is, with all faults," and that Seller has not made (and shall not be deemed to have made) any representations or warranties with respect thereto.

10. Purchaser agrees:

a. That the covenants, conditions and restrictions contemplated by the Annexation and Development Agreement recorded in Cook County as Document No. 0010049341 (the "Annexation Agreement") shall encumber the Property (each a "Declaration"), whether recorded before or after the Closing, and shall be permitted title exceptions, added to paragraph 2 on the first page of this Notice. If any Declaration to be recorded in accordance with the terms of the Annexation Agreement (including but not limited to the Declaration of the Master Association) shall not have been placed of record prior to closing of the sale contemplated hereby, Purchaser shall join in such Declaration as may be required to cause the Declaration to be effective against the Property.

b. Purchaser agrees to grant Seller access to the Property from time to time, as Seller may request, to complete the work contemplated by the Final PUD Plans, Final Subdivision Plat, Final Engineering Plans and Final Wetlands Planting Plans, all as defined in the Annexation Agreement (the "Plans"), including, but not limited to, any work required to complete grading, or installation of the Sanitary Sewer Improvements, Water Improvements, and Stormwater Improvements, in accordance with such final Plans, and agree that the Property shall be subject to all of such Plans.

c. Purchaser's ownership of the Property shall not give Purchaser any right to require any modifications of any proposed Declaration or Plan, other than its rights as a municipal corporation as set forth in the Annexation Agreement.

d. The Purchaser's covenants in this paragraph 10 shall survive the closing of the transaction contemplated hereby forever, shall be binding upon the Purchaser, its successors and assigns, and inure to the benefit of Seller, its successors and assigns.

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF OPTION C

FOR VALUE RECEIVED, the Village of South Barrington, an Illinois municipal corporation (Assignor) in consideration of One (\$1.00) Dollar and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, does hereby conditionally assign, set over and convey to the South Barrington Park District, an Illinois Municipal Corporation (Assignee), all rights, title and interest of the Assignor in and to that certain Option C to acquire Area C pursuant to the terms of the Consent Decree, dated December 19, 2003, entered into by Assignor, and The Woods of South Barrington, LLC, et al. (Consent Decree). This Conditional Assignment and Assumption of Option C is subject to and pursuant to the terms and conditions of that certain Intergovernmental Agreement between Assignor and Assignee.

Dated: As of March 12, 2004.

The Village of South Barrington, an Illinois municipal corporation

By:  _____

Printed Name: Frank J. Munao, Jr.

Title: Village President

FOR VALUE RECEIVED, Assignee does hereby accept the foregoing assignment from Assignor and agrees, on behalf of itself that, from and after the date hereof, Assignee shall be responsible for the performance of the obligations, duties, covenants and conditions of the Assignor under Option C of the Consent Decree. This Conditional Assignment and Assumption of Option C is subject to and pursuant to the terms and conditions of that certain Intergovernmental Agreement between Assignor and Assignee.

Dated: As of March 12, 2004.

The South Barrington Park District

By:  _____

Printed Name: Patricia M. Provost

Title: President

DUPLICATE

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF OPTION N

FOR VALUE RECEIVED, the Village of South Barrington, an Illinois municipal corporation (Assignor) in consideration of One (\$1.00) Dollar and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, does hereby conditionally assign, set over and convey to the South Barrington Park District, an Illinois Municipal Corporation (Assignee), all rights, title and interest of the Assignor in and to that certain Option N to acquire Area N pursuant to the terms of the Consent Decree, dated December 19, 2003, entered into by Assignor, and The Woods of South Barrington, LLC, et al. (Consent Decree). This Conditional Assignment and Assumption of Option N is subject to and pursuant to the terms and conditions of that certain Intergovernmental Agreement between Assignor and Assignee.

Dated: As of March 12, 2004.

The Village of South Barrington, an Illinois municipal corporation

By: 

Printed Name: Frank J. Munao, Jr.

Title: Village President

FOR VALUE RECEIVED, Assignee does hereby accept the foregoing assignment from Assignor and agrees, on behalf of itself that, from and after the date hereof, Assignee shall be responsible for the performance of the obligations, duties, covenants and conditions of the Assignor under Option N of the Consent Decree. This Conditional Assignment and Assumption of Option N is subject to and pursuant to the terms and conditions of that certain Intergovernmental Agreement between Assignor and Assignee.

Dated: As of March 12, 2004.

The South Barrington Park District

By: 

Printed Name: Patricia M. Provost

Title: President

DUPLICATE