

[LEGAL DESCRIPTION]

P.I.N.: _____

Common address: _____, West Chicago, Illinois

EXHIBIT A-2

Depiction of Subject Property

(attached)

EXHIBIT B-1

Project Site Plan

(attached)

EXHIBIT B-2

Project Description

(attached)

EXHIBIT C

Anticipated Assessed Values

Year	Anticipated Assessed Values
Year 1	\$6,845,000
Year 2	\$9,126,670
Year 3	\$9,400,470
Year 4	\$9,682,484
Year 5	\$9,682,484
Year 6	\$10,166,608
Year 7	\$10,471,067
Year 8	\$10,681,039
Year 9	\$10,681,039
Year 10	\$11,215,091
Year 11	\$11,439,393
Year 12	\$11,668,181
Year 13	\$11,901,544
Year 14	\$12,139,575
Year 15	\$12,382,367
Total	\$157,483,012

EXHIBIT D

Abatement Ordinance

(attached)

ORDINANCE PROVIDING FOR REAL ESTATE TAX ABATEMENT

WHEREAS, the Illinois Property Tax Code, 35 ILCS 200/18-165, authorizes any taxing district to abate its taxes in relation to a specific property; and

WHEREAS, in "An Intergovernmental Agreement Between the City of West Chicago, DuPage Airport Authority, West Chicago Library District, West Chicago Fire Protection District, West Chicago Elementary School District 33, Community High School District 94 and Discovery Drive Investors, LLC in Regard to a Property Tax Abatement Relative to the Development of the Discovery Drive Investors Property," dated _____, 2018 ("IGA"), the [City Council / Board of Trustees / Board of Commissioners / Board of Education] of the [Unit of Government] previously determined it to be in its best interests to abate a portion of its taxes on the real estate legally described in **Exhibit 1**, attached hereto and made a part hereof ("Subject Property"), in order to encourage a commercial firm to redevelop the Subject Property; and

WHEREAS, the conditions of the IGA for the abatement of a portion of the taxes on the Subject Property have been met; and

WHEREAS, in the IGA, this [City Council / Board of Trustees / Board of Commissioners / Board of Education] previously determined such abatement of taxes to be in the best interests of its tax payers in order to encourage a commercial firm to redevelop the Subject Property, increase the tax base, and increase employment opportunities; and

NOW, THEREFORE, BE IT ORDAINED by the [Mayor / Chairman / President] and [City Council / Board of Trustees / Board of Commissioners / Board of Education] of the [Unit of Government], DuPage County, Illinois, as follows:

Section 1. This [City Council / Board of Trustees / Board of Commissioners / Board of Education] hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does now incorporate the same herein by reference.

Section 2. The County Clerk of DuPage County, Illinois is hereby ordered to abate the real estate taxes to be extended on the Subject Property, on behalf of the [Unit of Government] according to the rate set forth in Section 3 below, but excluding any levy or levies for debt service ("Abatement Rate"), commencing at the start of the next calendar year after the year in which this Ordinance is passed. However, in no event shall the aggregate abatement of real estate taxes levied against the Subject Property by the [Unit of Government], together with real estate taxes levied against the Subject Property and abated in previous and future years by all other taxing districts, exceed the total of Four Million and No/100 Dollars (\$4,000,000.00).

Section 3. The Abatement Rate shall be Fifty Percent (50%) of the real estate taxes to be extended on the Subject Property on behalf of the [Unit of Government].

Section 4. The [Mayor / Chairman / President] and [Clerk / Secretary] of this [Unit of Government] are hereby authorized and directed to execute this Ordinance and cause a certified copy of the same to be filed with the County Clerk of DuPage County, Illinois.

Section 5. This Ordinance shall be in full force and effect upon its adoption and publication.

PASSED this _____ day of _____, 20__ by the Corporate Authorities of the [Unit of Government] on a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by the [Mayor / Chairman / President] of the [Unit of Government] on the ____ day of _____, 20__.

[Mayor / Chairman / President]

ATTEST:

[Clerk / Secretary]

[Published in pamphlet form / Published in the _____ newspaper, being a newspaper of general circulation within the [Unit of Government] this ____ day of _____, 20__.]

EXHIBIT 1

LEGAL DESCRIPTION OF THE SUBJECT PROPERTY

(attached)

[LEGAL DESCRIPTION]

P.I.N.: _____

Common address: _____, West Chicago, Illinois

EXHIBIT E

ABATEMENT PROCESS

Capitalized terms in this EXHIBIT E shall have the meanings as set forth for said terms in the "Intergovernmental Agreement Between The City Of West Chicago, DuPage Airport Authority, West Chicago Library District, West Chicago Fire Protection District, West Chicago Elementary School District 33, Community High School District 94 And Discovery Drive Investors, LLC In Regard To A Property Tax Abatement Relative To The Development Of The Discovery Drive Investors Property" ("IGA"), unless otherwise defined in this EXHIBIT E.

As of the Effective Date of the IGA, the process for administering the Tax Abatement is:

1. Within sixty (60) days of the Commencement Date, each UNIT OF GOVERNMENT shall adopt an Abatement Ordinance, and send a certified copy of its Abatement Ordinance to the Clerk.
2. The Clerk shall, at the time the tentative tax rates are prepared for each year's property tax levy, send to the chief executive officer of each of the UNITS OF GOVERNMENT a letter setting forth, with respect to the Tax Abatement, the parcel(s) affected, the amount of property taxes to be levied, and the amount of the abatement attributable to each of the UNITS OF GOVERNMENT ("Abatement Letter").
3. Each of the UNITS OF GOVERNMENT shall, each year, review the Abatement Letter from the Clerk, note any changes in the information provided, and then sign and return the Abatement Letter to the Clerk, all within seven (7) days of receipt of the Abatement Letter.
4. The Clerk shall track and account for the total Tax Abatement paid to the DEVELOPER.
5. The Clerk shall calculate the property tax levy for each of the UNITS OF GOVERNMENT taking the Tax Abatement into account, as approved by each of the UNITS OF GOVERNMENT with regard to its annual Abatement Letter.
6. The Tax Abatement for the Subject Property abated in previous and future years by all other taxing districts, shall not exceed the total of Four Million and No/100 Dollars (\$4,000,000.00).

RESOLUTION NO. 18-R-0012

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN ECONOMIC
INCENTIVE AGREEMENT BY AND BETWEEN THE CITY OF WEST
CHICAGO AND DISCOVERY DRIVE INVESTORS, LLC**

BE IT RESOLVED by the City Council of the City of West Chicago, in regular session assembled, that the Mayor is hereby authorized to execute an Economic Incentive Agreement by and between the City of West Chicago and Discovery Drive Investors, LLC, a copy of which, in substantially the same form, is attached hereto and incorporated herein as Exhibit "A".

APPROVED this 19th day of March, 2018

AYES: _____

NAYES: _____

ABSTAIN: _____

ABSENT: _____

Mayor Ruben Pineda

ATTEST:

City Clerk Nancy M. Smith

**ECONOMIC INCENTIVE AGREEMENT BY AND BETWEEN
THE CITY OF WEST CHICAGO AND DISCOVERY DRIVE INVESTORS, LLC**

This ECONOMIC INCENTIVE AGREEMENT ("Agreement") is entered into this ____ day of _____, 2018 ("Effective Date") by and between the City of West Chicago, an Illinois home rule municipal corporation ("CITY"), and Discovery Drive Investors, LLC, a _____ limited liability corporation authorized to conduct business in the State of Illinois ("DEVELOPER"). The CITY and the DEVELOPER are sometimes individually referred to herein as a "Party" and collectively referred to as the "Parties."

WITNESSETH

WHEREAS, DEVELOPER, the CITY, and certain other units of government, entered into the "INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF WEST CHICAGO, DUPAGE AIRPORT AUTHORITY, WEST CHICAGO LIBRARY DISTRICT, WEST CHICAGO FIRE PROTECTION DISTRICT, WEST CHICAGO ELEMENTARY SCHOOL DISTRICT 33, COMMUNITY HIGH SCHOOL DISTRICT 94 AND DISCOVERY DRIVE INVESTORS, LLC IN REGARD TO A PROPERTY TAX ABATEMENT RELATIVE TO THE DEVELOPMENT OF THE DISCOVERY DRIVE INVESTORS PROPERTY" on _____, 2018 ("IGA"); and

WHEREAS, as set forth in the IGA, the DEVELOPER is under contract to acquire the property commonly known as _____, West Chicago, Illinois _____, with said property being legally described on EXHIBIT A-1, attached to the IGA, and depicted on EXHIBIT A-2, attached to the IGA (the "Subject Property"); and

WHEREAS, the DEVELOPER desires to develop the Subject Property into a

warehouse and/or manufacturing operation consisting of a building of approximately eight hundred thousand (800,000) square feet on thirty-nine (39) acres, as depicted and further described in EXHIBIT B-1 and EXHIBIT B-2, respectively, attached to the IGA ("Project"); and

WHEREAS, the IGA provides that the DEVELOPER will receive a real estate tax abatement from the CITY and certain other units of government pursuant to 35 ILCS 200/18-165 ("Tax Abatement"), if the conditions for the Tax Abatement in the IGA are satisfied; and

WHEREAS, the DEVELOPER has requested that in addition to the Tax Abatement, the CITY provide the DEVELOPER with additional incentives set forth in this Agreement ("Additional Incentives") to assist the DEVELOPER in acquiring the Subject Property and improving it with the Project; and

WHEREAS, the CITY agrees to provide the DEVELOPER with the Additional Incentives set forth herein, and in exchange for the DEVELOPER agreeing to comply with the terms of the IGA and the terms of this Agreement, and in exchange for the DEVELOPER agreeing to redevelop the Property with the Project, the CITY will induce the DEVELOPER to cause the Project to be constructed and operated, which will provide future financial benefits for the CITY; and

WHEREAS, Article VII, Section 10 of the 1970 Illinois Constitution, 65 ILCS 5/8-1-2.5, 5 ILCS 220/1 *et seq.* and the CITY'S home rule powers provide the authority for this Agreement; and

WHEREAS, it is in the best interests of the Parties to enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants

and agreements contained herein, the Parties hereto agree as follows:

1. **INCORPORATION OF PREAMBLES.** The preambles hereto, as set forth above, are incorporated herein by reference and are made part hereof.
2. **DEVELOPER CONDITIONS.** The DEVELOPER'S right to receive the Additional Incentives under this Agreement is expressly conditioned upon the performance by the DEVELOPER, or the DEVELOPER's tenant on the Subject Property, of the following conditions, to the extent the conditions can be met prior to the Additional Incentives being granted to the DEVELOPER. The DEVELOPER shall:
 - A. Be in full compliance with its obligations in the IGA;
 - B. Not be in default of its obligations in the IGA;
 - C. Operate the Project on the Subject Property as ongoing business operation, of no less than eight hundred thousand (800,000) square feet;
 - D. Provide the CITY all document reasonably requested by the CITY regarding the matters set forth in the IGA and this Agreement;
 - E. Within three (3) years of the Effective Date, DEVELOPER, or the DEVELOPER's tenant on the Subject Property, shall employ at the Subject Property no less than three hundred (300) newly created full-time equivalent employees, which number of newly created full-time equivalent employees DEVELOPER, or the DEVELOPER's tenant on the Subject Property, shall maintain during the term of this Agreement;
 - F. No less than once per calendar year, on a date selected by the CITY, provide a written report to the CITY with:
 1. A summary of the Project's, the DEVELOPER's, and the DEVELOPER's tenant on the Subject Property, status, growth, plans and prospects both generally company-wide and specifically attributable to its location on the Subject Property; and
 2. Copies of documentation showing the number of square feet of the Subject Property used for carrying out the Project, including but not

limited to property casualty policy renewal certificate, and/or annual fire inspection reports; and

- G. No less than twice per calendar year, on dates selected by the CITY, provide certified payroll statements, or similar documentation acceptable to the CITY, to verify the DEVELOPER's, and the DEVELOPER's tenant on the Subject Property, employment obligations in Section 2.E. above, and the DEVELOPER, and the DEVELOPER's tenant on the Subject Property, shall redact and remove employee names, Social Security numbers, salaries and other sensitive and personal information removed from the documentation provided to the CITY hereunder.

3. **ADDITIONAL INCENTIVES.** The Additional Incentives are:

- A. **PARTIAL BUILDING PERMIT COSTS WAIVER.** The DEVELOPER shall be required to pay Fifty Percent (50%) of any building permit costs payable to the CITY for the Project, and the CITY shall waive the remaining builder permit costs for the Project payable to the CITY, up to a total building permit costs waiver of One Hundred Thousand and No/100 Dollars (\$100,000.00). Building permit costs waived herein exclude the sewer capacity fee and all third party costs paid by the CITY associated with the building permit for the Project, such as, but not limited to, plan review costs and the land cash fee to the West Chicago Fire Protection District. The amount of the actual building permit costs waived herein shall be the "Building Permit Waiver Costs."
- B. **PARTIAL MUNICIPAL ELECTRICITY UTILITY TAX REBATE.** Beginning the first calendar year after the date on which the DEVELOPER receives the last of the certificates of occupancy or final approvals for the Project from all governmental entities having jurisdiction over the design and construction of a manufacturing operation for the Project, the CITY shall rebate to the DEVELOPER, or to the DEVELOPER's assignee, Fifty Percent (50%) of the CITY's municipal electricity utility tax paid by the DEVELOPER, or the DEVELOPER's assignee, and collected by the CITY for the Subject Property, for up to a ten (10) year period, in an amount not to exceed Two Hundred Thousand and No/100 Dollars (\$200,000.00). The rebate of municipal electricity utility tax shall only be made if the DEVELOPER, or the DEVELOPER's tenant operating the Project on the Subject Property, establishes and operates a manufacturing use as part of the Project on the Subject Property. The amount of the CITY's municipal electricity utility tax actually rebated to the DEVELOPER herein shall be the "Electricity Utility Rebate."

4. **PARTIAL MUNICIPAL UTILITY TAX REBATE PAYMENT.** The CITY shall rebate the DEVELOPER, or the DEVELOPER's assignee, the municipal electricity utility tax as set forth in Section 3.B. above paid by the DEVELOPER, or the DEVELOPER's tenant operating the Project on the Subject Property, no more than two (2) times annually, and covering no more than six (6) months of electricity consumption on the Project per payment. The DEVELOPER, or the DEVELOPER's assignee, shall submit invoices to the CITY requesting the municipal electricity utility tax rebate, together with documentation of the payment of the municipal electricity utility taxes paid for the Subject Property, along proof of payment and such other information and/or documents reasonably requested by the CITY. Upon the CITY's receipt of all supporting documentation and information, and upon confirmation the DEVELOPER, or the DEVELOPER's assignee, is entitled to receive the rebate payment, the CITY shall pay the DEVELOPER, or the DEVELOPER's assignee, the rebate within thirty (30) days thereafter.

5. **ADDITIONAL INCENTIVES CLAWBACK.** If the DEVELOPER, or the DEVELOPER's tenant on the Subject Property, ceases operating the Project on the Subject Property, or if the DEVELOPER, or the DEVELOPER's tenant on the Subject Property, breaches any of its obligations in this Agreement, the DEVELOPER shall reimburse the CITY the Additional Incentives as follows:

- A. If within five (5) years from the "Commencement Date," as defined in the IGA, the DEVELOPER shall pay the CITY Seventy Five Percent (75%) of the Building Permit Waiver Costs and the Electricity Utility Rebate, and the DEVELOPER shall be benefitted by any Additional Incentives; or

- B. If after five (5) years from the "Commencement Date," as defined in the IGA, the DEVELOPER shall pay the CITY Fifty Percent (50%) of the Building Permit Waiver Costs and the Electricity Utility Rebate, and the DEVELOPER shall be benefitted by any Additional Incentives.

The DEVELOPER's reimbursement obligations herein shall survive, and be binding upon the DEVELOPER, regardless of the termination or expiration of this Agreement. The DEVELOPER shall reimburse the CITY within thirty (30) days of a written demand from the CITY for such reimbursement.

- 6. **INTERVENING ACTIONS.** The Parties acknowledge that the Additional Incentives are predicated upon current law in the State of Illinois, as of the Effective Date, allowing the CITY to make the Additional Incentives available to the DEVELOPER. Should the Illinois General Assembly, or a court of competent jurisdiction, hereafter eliminate or limit the CITY's authority to make the Additional Incentives available to the DEVELOPER, or alter the municipal electricity utility tax formula in a manner which prevents the CITY from paying the municipal electricity utility tax rebate to the DEVELOPER, or should the CITY's ability to make the rebate be limited or eliminated by a court order or legislative enactment, the DEVELOPER shall not be entitled to receive the Additional Incentive(s) so limited.

7. **GENERAL CONDITIONS/REQUIREMENTS.**

- A. This Agreement is entered into for the benefit of each of the Parties, solely, and not for the benefit of any third party.
- B. Nothing contained in this Agreement shall constitute a waiver of any privileges, defenses or immunities which the CITY may have under the Local Governmental and Governmental Employees Tort Immunity Act, 745 ILCS 10/1-101, *et seq.*, with respect to any claim brought by a third

party.

- C. The obligations of the DEVELOPER shall constitute covenants running with the land of the Subject Property and shall be binding on successors and assigns of the DEVELOPER and shall bind all owners of the Subject Property, including the Project located thereon, or any portion thereof.
- D. This Agreement shall be recorded on title to the Subject Property at the expense of the DEVELOPER upon taking effect.
- E. Upon a breach of this Agreement the non-breaching Party, by an action or proceeding solely in equity brought in the 18th Judicial Circuit Court, in DuPage County, Illinois, may secure the specific performance of the covenants and agreements herein contained, for failure of performance.
- F. In the event of a default by any of the Parties, the defaulting Party, as adjudicated by a court of competent jurisdiction, shall pay to the non-defaulting Party, upon demand, all of the non-defaulting Party's reasonable costs, charges and expenses, including, but not limited to, the costs of accountants, consultants, attorneys and others retained by the non-defaulting Party for the purpose of enforcing any of the obligations of the defaulting Party under this Agreement.
- G. The failure of any Party to insist upon the strict and prompt performance of the terms, covenants, agreements and conditions herein contained, or any of them, by any other Party, shall not constitute or be construed as a waiver or relinquishment of any Party's right thereafter to enforce any such term, covenant, agreement or condition, but the same shall continue in full force and effect.
- H. If the performance by any Party hereunder is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances shall only include acts of God, war, strikes or similar acts of *force majeure*), the time for such performance shall be extended by the amount of time of such delay.
- I. This Agreement shall remain in full force and effect so long as the IGA remains in effect.
- J. In the event that the CITY's authority to carry out its obligation in this Agreement is repealed, become null and void or otherwise become invalid, then the CITY's obligations hereunder shall cease and no further obligations of any sort shall be required of the CITY. The DEVELOPER shall have no recourse against the CITY in such event.
- K. No amendment to, or modification of, this Agreement shall be effective

unless and until it is in writing and approved by the authorized representative of the DEVELOPER and by the CITY'S corporate authorities, and executed and delivered by the authorized representatives of each Party.

- L. If, during the term of this Agreement, any lawsuits or other proceedings are filed or initiated against any Party before any court, commission, board, bureau, agency, unit of government or sub-unit thereof, arbitrator, or other instrumentality, that may materially affect or inhibit the ability of any Party to perform its obligations under, or otherwise to comply with, this Agreement ("Litigation"), the Party against which the Litigation is filed or initiated shall promptly deliver a copy of the complaint or charge related thereto to the other Parties and shall thereafter keep the other Parties fully informed concerning all aspects of the Litigation. Each Party shall, to the extent necessary, cooperate with the other Parties in this event. The Parties each agree to use their respective best efforts to defend the validity of this Agreement and all approvals of the Parties related thereto, including every portion thereof and every approval given, and every action taken, pursuant thereto.
- M. The DEVELOPER shall and hereby agrees to defend, hold harmless and indemnify the CITY, and its respective elected officials, appointed officials, employees, agents and attorneys (collectively the "CITY Affiliates") from and against any and all claims, demands, suits, damages, liabilities, losses, expenses, and judgments which may arise relating to this Agreement. The obligation of the DEVELOPER in this regard shall include, but shall not be limited, to all costs and expenses, including reasonable attorneys' fees, incurred by the CITY Affiliates in responding to, defending against, or settling any such claims, demands, suits, damages, liabilities, losses, expenses or judgments. The DEVELOPER covenants that it will reimburse the CITY Affiliates, or pay over to the CITY Affiliates, all sums of money the CITY Affiliates pays, or becomes liable to pay, by reason of any of the foregoing; provided, however, that the DEVELOPER's liability under this Section 8.M. shall be limited to the total amount of Tax Abatement that the DEVELOPER has been received pursuant to this Agreement as of the date of any such claim, demand, suit, damage, liability, loss, expense, or judgment. In any suit or proceeding brought hereunder, the CITY Affiliates shall have the right to appoint counsel of their own choosing to represent it, the costs and expenses of which shall be paid by the DEVELOPER.

8. **NOTICES.** Notice or other writings which any Party is required to, or may wish to, serve upon any other Party in connection with this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail,

return receipt requested, postage prepaid, addressed as follows:

A. If to the CITY:

City of West Chicago
475 Main Street
West Chicago, Illinois 60185
Attention: Mayor

With copies to:

City of West Chicago
475 Main Street
West Chicago, Illinois 60185
Attn: City Administrator

Bond, Dickson & Associates
400 Knoll Street
Wheaton, Illinois 60187
Attn: Patrick Bond

B. If to the DEVELOPER:

Discovery Drive Investors, LLC

Attention: _____

With a copy to:

Attn: _____

or to such other address, or additional individuals/entities, as any Party may from time to time designate in a written notice to the other Parties. Service by personal delivery shall be deemed given when delivery occurs, and service by certified or registered mail shall be deemed given three (3) days after depositing same in the mail.

9. **COUNTERPARTS.** This Agreement may be executed simultaneously in two (2) counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.
10. **ENTIRE AGREEMENT.** This Agreement contains the entire understanding between the Parties and supersedes any prior understanding or written or oral agreements between them regarding the within subject matter. There are no representations, agreements, arrangements or understandings, oral or written, between and among the Parties hereto relating to the subject matter of this

Agreement which are not fully expressed herein.

11. **EFFECTIVE DATE.** This Agreement shall be deemed dated and become effective on the date the last of the Parties execute this Agreement as set forth below, which date shall be filled in on page 1 hereof.

IN WITNESS WHEREOF, the CITY, pursuant to authority granted by the adoption of a Motion/Resolution by its City Council, has caused this Agreement to be executed by its Mayor and attested by its Clerk and DEVELOPER, pursuant to proper authority granted in accordance with its organizational documents, has caused this Agreement to be executed by its President and attested by its Secretary.

CITY:

CITY OF WEST CHICAGO

By: _____
_____, Mayor

ATTEST:

_____, City Clerk

Dated: _____

DEVELOPER:

**DISCOVERY DRIVE INVESTORS,
LLC**

By: _____
_____, _____

ATTEST:

_____, _____

Dated: _____

CITY OF WEST CHICAGO

FINANCE COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE:

Norix Group

Resolution No. 18-R-0011 – Partial Property Tax Abatement

Resolution No. 18-R-0013 – Economic Incentives

AGENDA ITEM NUMBER: 4.C. + 4.E.

FILE NUMBER: _____

COMMITTEE AGENDA DATE: 2/22/18

COUNCIL AGENDA DATE: 3/19/18

STAFF REVIEW:

SIGNATURE _____

APPROVED BY CITY ADMINISTRATOR:

SIGNATURE _____

ITEM SUMMARY:

In 2015, the Finance Committee endorsed a package of incentives to attract larger businesses to our community, which included a partial property tax abatement, partial rebates of utility taxes and a partial waiver of building permit fees.

The Norix Group (through a yet-to-be formed limited liability corporation out of Delaware) is looking to construct an 175,000 square foot building on 20 acres in the DuPage Business Center and move its office/warehousing operation from the LaGrou building on Hawthorne Lane; in the future, the company intends to bring the manufacturing of its products in-house instead of contracting out for the goods to be built, which would add jobs and significant tax revenues.

The incentives tentatively agreed to by the parties include the following: (1) a 50% property tax abatement for 10 years, up to \$4,000,000 by District 33, District 94, the Fire Protection District, the Library District, the DuPage Airport Authority and the City; (2) a waiver of 50% of the building permit fees by the City (excluding the sewer capacity charge and third party fees paid for by the City); and (3) a rebate of the City's natural gas use tax, up to \$200,000, when a manufacturing component is added to this development.

In return for the incentives, the building would need to remain operational for 15 years, or else there are clawback provisions that would result in portions of the incentives being repaid, the amount determined by the number of years the building was occupied.

The lawyers from all parties are still sorting through the documents, but all parties have agreed upon the material terms. The goal would be to have all approvals done by the end of March.

ACTIONS PROPOSED:

Staff recommends approval of Resolutions No. 18-R-0011 and 18-R-0013.

COMMITTEE RECOMMENDATION:

Norix Furniture

Year	% Abatement	Taxed as Agricultural	% to City	Taxed as Industrial	Amount After Abatement	% to City
Year 1	50%	\$648.53	\$33.10	\$619,683.27	\$309,841.64	\$15,814.32
Year 2	50%	\$667.99	\$34.09	\$638,273.77	\$319,136.88	\$16,288.75
Year 3	50%	\$688.03	\$35.12	\$657,421.98	\$328,710.99	\$16,777.41
Year 4	50%	\$708.67	\$36.17	\$677,144.64	\$338,572.32	\$17,280.73
Year 5	50%	\$729.93	\$37.26	\$697,458.98	\$348,729.49	\$17,799.15
Year 6	50%	\$751.82	\$38.37	\$718,382.75	\$359,191.37	\$18,333.13
Year 7	50%	\$774.38	\$39.52	\$739,934.23	\$369,967.12	\$18,883.12
Year 8	50%	\$797.61	\$40.71	\$762,132.26	\$381,066.13	\$19,449.62
Year 9	50%	\$821.54	\$41.93	\$784,996.23	\$392,498.11	\$20,033.10
Year 10	50%	\$846.18	\$43.19	\$808,546.11	\$404,273.06	\$20,634.10
		\$7,434.67	\$379.47	\$7,103,974.22	\$3,551,987.11	\$181,293.42

Norix Furniture

Year	% Abatement	Same Land Taxed as Agricultural	% to District 33	Taxed as Industrial	Amount After Abatement	% to District 33
Year 1	50%	\$648.53	\$306.76	\$619,683.27	\$309,841.64	\$146,558.19
Year 2	50%	\$667.99	\$315.96	\$638,273.77	\$319,136.88	\$150,954.94
Year 3	50%	\$688.03	\$325.44	\$657,421.98	\$328,710.99	\$155,483.59
Year 4	50%	\$708.67	\$335.21	\$677,144.64	\$338,572.32	\$160,148.09
Year 5	50%	\$729.93	\$345.26	\$697,458.98	\$348,729.49	\$164,952.54
Year 6	50%	\$751.82	\$355.62	\$718,382.75	\$359,191.37	\$169,901.11
Year 7	50%	\$774.38	\$366.29	\$739,934.23	\$369,967.12	\$174,998.15
Year 8	50%	\$797.61	\$377.28	\$762,132.26	\$381,066.13	\$180,248.09
Year 9	50%	\$821.54	\$388.60	\$784,996.23	\$392,498.11	\$185,655.53
Year 10	50%	\$846.18	\$400.25	\$808,546.11	\$404,273.06	\$191,225.20
		\$7,434.67	\$3,516.67	\$7,103,974.22	\$3,551,987.11	\$1,680,125.42

Norix Furniture

Year	% Abatement	Taxed as Agricultural	% to District 94	Taxed as Industrial	Amount After Abatement	% to District 94
Year 1	50%	\$648.53	\$146.35	\$619,683.27	\$309,841.64	\$69,918.86
Year 2	50%	\$667.99	\$150.74	\$638,273.77	\$319,136.88	\$72,016.43
Year 3	50%	\$688.03	\$155.26	\$657,421.98	\$328,710.99	\$74,176.92
Year 4	50%	\$708.67	\$159.92	\$677,144.64	\$338,572.32	\$76,402.23
Year 5	50%	\$729.93	\$164.72	\$697,458.98	\$348,729.49	\$78,694.30
Year 6	50%	\$751.82	\$169.66	\$718,382.75	\$359,191.37	\$81,055.13
Year 7	50%	\$774.38	\$174.75	\$739,934.23	\$369,967.12	\$83,486.78
Year 8	50%	\$797.61	\$179.99	\$762,132.26	\$381,066.13	\$85,991.38
Year 9	50%	\$821.54	\$185.39	\$784,996.23	\$392,498.11	\$88,571.12
Year 10	50%	\$846.18	\$190.95	\$808,546.11	\$404,273.06	\$91,228.26
		\$7,434.67	\$1,677.71	\$7,103,974.22	\$3,551,987.11	\$801,541.41

Norix Furniture

Year	% Abatement	Taxed as Agricultural	% to WCFPD	Taxed as Industrial	Amount After Abatement	% to WCFPD
Year 1	50%	\$648.53	\$59.13	\$619,683.27	\$309,841.64	\$28,251.36
Year 2	50%	\$667.99	\$60.91	\$638,273.77	\$319,136.88	\$29,098.90
Year 3	50%	\$688.03	\$62.73	\$657,421.98	\$328,710.99	\$29,971.87
Year 4	50%	\$708.67	\$64.62	\$677,144.64	\$338,572.32	\$30,871.02
Year 5	50%	\$729.93	\$66.55	\$697,458.98	\$348,729.49	\$31,797.15
Year 6	50%	\$751.82	\$68.55	\$718,382.75	\$359,191.37	\$32,751.07
Year 7	50%	\$774.38	\$70.61	\$739,934.23	\$369,967.12	\$33,733.60
Year 8	50%	\$797.61	\$72.73	\$762,132.26	\$381,066.13	\$34,745.61
Year 9	50%	\$821.54	\$74.91	\$784,996.23	\$392,498.11	\$35,787.98
Year 10	50%	\$846.18	\$77.16	\$808,546.11	\$404,273.06	\$36,861.62
		\$7,434.67	\$677.89	\$7,103,974.22	\$3,551,987.11	\$323,870.18

Norix Furniture

Year	% Abatement	Taxed as Agricultural	% to Library Dist.	Taxed as Industrial	Amount After Abatement	% to Library Dist.
Year 1	50%	\$648.53	\$18.70	\$619,683.27	\$309,841.64	\$8,932.73
Year 2	50%	\$667.99	\$19.26	\$638,273.77	\$319,136.88	\$9,200.72
Year 3	50%	\$688.03	\$19.84	\$657,421.98	\$328,710.99	\$9,476.74
Year 4	50%	\$708.67	\$20.43	\$677,144.64	\$338,572.32	\$9,761.04
Year 5	50%	\$729.93	\$21.04	\$697,458.98	\$348,729.49	\$10,053.87
Year 6	50%	\$751.82	\$21.68	\$718,382.75	\$359,191.37	\$10,355.49
Year 7	50%	\$774.38	\$22.33	\$739,934.23	\$369,967.12	\$10,666.15
Year 8	50%	\$797.61	\$23.00	\$762,132.26	\$381,066.13	\$10,986.14
Year 9	50%	\$821.54	\$23.68	\$784,996.23	\$392,498.11	\$11,315.72
Year 10	50%	\$846.18	\$24.40	\$808,546.11	\$404,273.06	\$11,655.19
		\$7,434.67	\$214.34	\$7,103,974.22	\$3,551,987.11	\$102,403.79

Norix Furniture

Year	% Abatement	Taxed as Agricultural	% to DAA	Taxed as Industrial	Amount After Abatement	% to DAA
Year 1	50%	\$648.53	\$1.04	\$619,683.27	\$309,841.64	\$498.85
Year 2	50%	\$667.99	\$1.08	\$638,273.77	\$319,136.88	\$513.81
Year 3	50%	\$688.03	\$1.11	\$657,421.98	\$328,710.99	\$529.22
Year 4	50%	\$708.67	\$1.14	\$677,144.64	\$338,572.32	\$545.10
Year 5	50%	\$729.93	\$1.18	\$697,458.98	\$348,729.49	\$561.45
Year 6	50%	\$751.82	\$1.21	\$718,382.75	\$359,191.37	\$578.30
Year 7	50%	\$774.38	\$1.25	\$739,934.23	\$369,967.12	\$595.65
Year 8	50%	\$797.61	\$1.28	\$762,132.26	\$381,066.13	\$613.52
Year 9	50%	\$821.54	\$1.32	\$784,996.23	\$392,498.11	\$631.92
Year 10	50%	\$846.18	\$1.36	\$808,546.11	\$404,273.06	\$650.88
		\$7,434.67	\$11.97	\$7,103,974.22	\$3,551,987.11	\$5,718.70

RESOLUTION NO. 18-R-0011

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF WEST CHICAGO, DUPAGE AIRPORT AUTHORITY, WEST CHICAGO LIBRARY DISTRICT, WEST CHICAGO FIRE PROTECTION DISTRICT, WEST CHICAGO ELEMENTARY DISTRICT 33, COMMUNITY HIGH SCHOOL DISTRICT 94 AND NORIX GROUP, LLC IN REGARD TO A PROPERTY TAX ABATEMENT RELATIVE TO THE DEVELOPMENT OF THE NORIX GROUP PROPERTY

BE IT RESOLVED by the City Council of the City of West Chicago, in regular session assembled, that the Mayor is hereby authorized to execute an Intergovernmental Agreement Between the City of West Chicago, DuPage Airport Authority, West Chicago Library District, West Chicago Fire Protection District, West Chicago Elementary School District 33, Community High School District 94 and Norix Group, LLC in regard to a Property Tax Abatement Relative to the Development of the Norix Group Property, a copy of which, in substantially the same form, is attached hereto and incorporated herein as Exhibit "A".

APPROVED this 19th day of March, 2018

AYES: _____

NAYES: _____

ABSTAIN: _____

ABSENT: _____

Mayor Ruben Pineda

ATTEST:

City Clerk Nancy M. Smith

**INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITY OF WEST CHICAGO, DUPAGE AIRPORT AUTHORITY, WEST
CHICAGO LIBRARY DISTRICT, WEST CHICAGO FIRE PROTECTION DISTRICT,
WEST CHICAGO ELEMENTARY SCHOOL DISTRICT 33, COMMUNITY HIGH
SCHOOL DISTRICT 94 AND NORIX GROUP, INC. IN REGARD TO A PROPERTY
TAX ABATEMENT RELATIVE TO THE DEVELOPMENT OF THE NORIX PROPERTY**

This INTERGOVERNMENTAL AGREEMENT ("Agreement") is entered into this _____ day of _____, 2018 ("Effective Date") by and between the CITY OF WEST CHICAGO, an Illinois home rule municipal corporation ("CITY"), the DUPAGE AIRPORT AUTHORITY, an Illinois airport authority ("AIRPORT"), the WEST CHICAGO LIBRARY DISTRICT, an Illinois library district ("LIBRARY"), the WEST CHICAGO FIRE PROTECTION DISTRICT, an Illinois fire protection district ("FIRE PROTECTION DISTRICT"), the WEST CHICAGO ELEMENTARY SCHOOL DISTRICT 33, an Illinois school district ("ELEMENTARY SCHOOL DISTRICT"), the COMMUNITY HIGH SCHOOL DISTRICT 94, an Illinois school district ("HIGH SCHOOL DISTRICT"), and NORIX GROUP, INC., an Illinois corporation ("DEVELOPER"). The CITY, the AIRPORT, the LIBRARY, the FIRE PROTECTION DISTRICT, the ELEMENTARY SCHOOL DISTRICT, the HIGH SCHOOL DISTRICT, and the DEVELOPER are sometimes individually referred to herein as a "Party" and collectively referred to as the "Parties."

WITNESSETH

WHEREAS, DEVELOPER is under contract to acquire the property commonly known as _____, West Chicago, Illinois _____, with said property being legally described on EXHIBIT A-1, attached hereto and made part hereof, and depicted on EXHIBIT A-2, attached hereto and made part hereof ("Subject Property"); and

WHEREAS, the DEVELOPER desires to develop the Subject Property into a manufacturing and office campus consisting of a building of approximately one hundred seventy five thousand (175,000) square feet on twenty (20) acres, as depicted and further described in EXHIBIT B-1 and EXHIBIT B-2, respectively, attached hereto and made a part hereof ("Project"); and

WHEREAS, the DEVELOPER desires to own, develop and operate the Project on the Subject Property; and

WHEREAS, in order to induce the DEVELOPER to proceed with the Project, the CITY, the AIRPORT, the LIBRARY, the FIRE PROTECTION DISTRICT, the ELEMENTARY SCHOOL DISTRICT, and the HIGH SCHOOL DISTRICT (collectively the "UNITS OF GOVERNMENT") agree to provide the DEVELOPER with a partial real estate tax abatement in regard to certain of the real estate taxes assessed by the UNITS OF GOVERNMENT against the Subject Property ("Tax Abatement"); and

WHEREAS, the Tax Abatement will provide a real estate tax abatement from the UNITS OF GOVERNMENT to the DEVELOPER pursuant to 35 ILCS 200/18-165 ("Abatement Law"); and

WHEREAS, the UNITS OF GOVERNMENT have agreed to provide the Tax Abatement to the DEVELOPER, pursuant to the terms and conditions as set forth in this Agreement, provided the DEVELOPER agrees to refrain from taking any actions, either directly or indirectly, to lower the equalized assessed valuation of the Subject Property, including the Project located thereon, for a period of fifteen (15) years after the Project commences operation, below those equalized assessed valuations as set forth on EXHIBIT C, attached hereto and made part hereof ("Anticipated Assessed Values"); and

WHEREAS, the DEVELOPER is in agreement with the restriction set forth above, relative to maintaining the Anticipated Assessed Values for the Subject Property; and

WHEREAS, by providing the Tax Abatement, in exchange for the DEVELOPER agreeing to maintain the Anticipated Assessed Values for the Subject Property, the UNITS OF GOVERNMENT will induce the DEVELOPER to cause the Project to be constructed and operated, which will provide future financial benefits for the UNITS OF GOVERNMENT; and

WHEREAS, Article VII, Section 10 of the 1970 Illinois Constitution, 5 ILCS 220/1 *et seq.* and the CITY'S home rule powers provide the authority for this Agreement; and

WHEREAS, it is in the best interests of the Parties to enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **INCORPORATION OF PREAMBLES.** The preambles hereto, as set forth above, are incorporated herein by reference and are made part hereof.
2. **DEVELOPER CONDITIONS.** The DEVELOPER'S right to receive the Tax Abatement under this Agreement is expressly conditioned upon the performance by the DEVELOPER of the following conditions. The DEVELOPER shall:
 - A. Acquire title to the Subject Property on or before _____, 201_;
 - B. Construct and operate the Project on the Subject Property in accordance with EXHIBITS B-1 and B-2;
 - C. Obtain certificates of occupancy, or final approvals, for the Project from all governmental entities having jurisdiction over the design and construction of the Project, on or before _____, 201_. The date the DEVELOPER receives the last of the certificates of occupancy or final approvals for the Project from all governmental entities having jurisdiction

over the design and construction of the Project shall be the "Commencement Date." The DEVELOPER shall notify each of the UNITS OF GOVERNMENT of the Commencement Date within fourteen (14) days after the Commencement Date has occurred;

- D. Comply with the real estate tax obligations set forth in Section 4. below; and
- E. Notwithstanding any provision in this Agreement to the contrary, if the DEVELOPER fails to meet any of its obligations in Sections 2.A., 2.B., or 2.C. of this Agreement, the Agreement shall be terminated and be null and void.

3. REAL ESTATE TAX ABATEMENT.

A. Subject to the DEVELOPER, or the DEVELOPER's tenant on the Subject Property, being in full compliance with Section 2. above, and Section 4. below, the UNITS OF GOVERNMENT shall provide the DEVELOPER with the Tax Abatement pursuant to the Abatement Law, relative to the real estate taxes assessed against the Subject Property, including the Project located thereon, with said Tax Abatement being:

- 1. For a maximum of ten (10) years, beginning with the real estate taxes levied on the Subject Property, including the Project located thereon, for the next full calendar year after the Commencement Date occurs, which real estate taxes are payable in the year thereafter, even if the dollar amount referenced in Subsection 3.A.2. below has not been abated;
- 2. Limited to a total cumulative amount from the UNITS OF GOVERNMENT combined of Four Million and No/100 Dollars (\$4,000,000.00), even if the Tax Abatement has not occurred for the full ten (10) year period referenced in Subsection 3.A.1. above;
- 3. Limited to Fifty Percent (50%) of the real estate taxes to be received by the UNITS OF GOVERNMENT from the Subject Property, including the Project located thereon, exclusive of real estate taxes received to satisfy any debt service tax levy of general applicability to all property within any one or more of the respective UNITS OF GOVERNMENT, in any given year; and

4. Limited by excluding amounts levied by each of the UNITS OF GOVERNMENT for debt service, and limited in the Abatement Law, and any amendments thereto after the Effective Date.

Within sixty (60) days of the Commencement Date, each of the UNITS OF GOVERNMENT shall adopt the ordinance attached hereto as EXHIBIT D and made a part hereof ("Abatement Ordinance"), and send a certified copy of the Abatement Ordinance to the DuPage County Clerk ("Clerk"), with such changes to the Abatement Ordinance being made to tailor the Abatement Ordinance to the specific ordinance form requirements of each of the UNITS OF GOVERNMENT, and after updating the current P.I.N.s and legal description(s) for the Subject Property, including the Project located thereon, if any. The Parties acknowledge that under the Abatement Law, the Clerk administers the Tax Abatement. The Parties acknowledge that as of the Effective Date, the process for administering the Tax Abatement as is described in EXHIBIT E, attached hereto and made a part hereof, and that the process described in EXHIBIT E may change after the Effective Date. The Parties shall cooperate with one another, and the Clerk, in administering the Tax Abatement. Upon a reasonable request of the Clerk, or any other Party, the Parties shall timely respond to requests for information and documents related to the Tax Abatement, and the Parties shall take all reasonable steps in a timely manner needed to administer the Tax Abatement consistent with the terms of this Agreement.

- B. During the term of this Agreement, if the DEVELOPER ceases operating the Project on the Subject Property, or if the DEVELOPER breaches any

of its obligations in this Agreement, the DEVELOPER shall reimburse the UNITS OF GOVERNMENT the Tax Abatement as follows:

1. If within five (5) years from the Commencement Date, the DEVELOPER shall pay each of the UNITS OF GOVERNMENT its *pro rata* amount of Seventy Five Percent (75%) of the Tax Abatement realized by the DEVELOPER; or
2. If after five (5) years from the Commencement Date, the DEVELOPER shall pay the CITY Fifty Percent (50%) of the Building Permit Waiver Costs and the Natural Gas Utility Rebate, the DEVELOPER shall pay each of the UNITS OF GOVERNMENT its *pro rata* amount of Fifty Percent (50%) of the Tax Abatement realized by the DEVELOPER.

The DEVELOPER's reimbursement obligations herein shall survive, and be binding upon the DEVELOPER, regardless of the termination or expiration of this Agreement. The DEVELOPER shall reimburse the UNITS OF GOVERNMENT within thirty (30) days of a written demand from the UNITS OF GOVERNMENT for such reimbursement.

4. REAL ESTATE TAX OBLIGATIONS OF THE DEVELOPER.

- A. The DEVELOPER agrees to pay, or cause to be paid, all general and special real estate taxes levied against its respective interest in the Subject Property, including the Project located thereon, on or prior to the date same is due, and said real estate taxes shall not become delinquent. The DEVELOPER shall deliver evidence of payment of such real estate taxes to the UNITS OF GOVERNMENT upon request.
- B. The DEVELOPER agrees:
 - (1) to not challenge, contest, seek a reduction in or assert tax-exempt status in relation to the real estate taxes assessed against the Subject Property, including the Project located thereon, below the Anticipated Assessed Values, as shown on EXHIBIT C; and
 - (2) to prohibit any third party obligated to pay the real estate taxes, in whole or in part, assessed against the Subject Property, including the Project located thereon, or any portion thereof, from challenging, contesting, seeking a reduction in or asserting tax-

exempt status in relation to the real estate taxes assessed against the Subject Property, including the Project located thereon, below the Anticipated Assessed Values, as shown on EXHIBIT C.

- C. The remedy to each of the UNITS OF GOVERNMENT, in the event of a breach by DEVELOPER of its obligations in Subsection 4.B. above, shall be for the DEVELOPER to pay to each of the UNITS OF GOVERNMENT, on an annual basis, the difference between the actual real estate taxes payable with respect to the Subject Property, including the Project located thereon, and the amount of real estate taxes that would have been due and owing on the Anticipated Assessed Values for such year, after the Tax Abatement for such year (said deficiency shall herein be referred to as the "Tax Deficiency"), plus interest thereon at the prime rate charged by BMO Harris Bank (or its successor) plus Three Percent (3%) per annum for the period beginning on the date the real estate taxes are received by each of the UNITS OF GOVERNMENT for any given year and ending on the date the Tax Deficiency is paid to each of the UNITS OF GOVERNMENT, which shall be due within thirty (30) days of notice from any one (1) of the UNITS OF GOVERNMENT.

5. GENERAL CONDITIONS/REQUIREMENTS.

- A. This Agreement is entered into for the benefit of each of the Parties, solely, and not for the benefit of any third party.
- B. Nothing contained in this Agreement shall constitute a waiver of any privileges, defenses or immunities which the UNITS OF GOVERNMENT may have under the Local Governmental and Governmental Employees Tort Immunity Act, 745 ILCS 10/1-101, *et seq.*, with respect to any claim brought by a third party.
- C. The obligations of the DEVELOPER shall constitute covenants running with the land legally described in Exhibit A-1 and shall be binding on successors and assigns of the DEVELOPER and shall bind all owners of the Subject Property, including the Project located thereon, or any portion thereof.
- D. This Agreement shall be recorded on title to the Subject Property at the expense of the DEVELOPER upon taking effect.
- E. Upon a breach of this Agreement by DEVELOPER, any of the UNITS OF GOVERNMENT may repeal their respective Abatement Ordinance, and any Party, by an action or proceeding solely in equity brought in the 18th Judicial Circuit Court, in DuPage County, Illinois, may secure the specific performance of the covenants and agreements herein contained, for failure of performance.

- F. In the event of a default by any of the Parties, the defaulting Party, as adjudicated by a court of competent jurisdiction, shall pay to the non-defaulting Party / Parties, upon demand, all of the non-defaulting Party's / Parties' reasonable costs, charges and expenses, including, but not limited to, the costs of accountants, consultants, attorneys and others retained by the non-defaulting Party / Parties for the purpose of enforcing any of the obligations of the defaulting Party under this Agreement.
- G. The failure of any Party to insist upon the strict and prompt performance of the terms, covenants, agreements and conditions herein contained, or any of them, by any other Party, shall not constitute or be construed as a waiver or relinquishment of any Party's right thereafter to enforce any such term, covenant, agreement or condition, but the same shall continue in full force and effect.
- H. If the performance by any Party hereunder is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances shall only include acts of God, war, strikes or similar acts of *force majeure*), the time for such performance shall be extended by the amount of time of such delay.
- I. This Agreement shall remain in full force and effect for fifteen (15) years after the Commencement Date.
- J. In the event that any UNIT OF GOVERNMENT's authority under the Abatement Law to carry out its obligation in this Agreement is repealed, become null and void or otherwise become invalid, then the UNIT OF GOVERNMENT's obligations hereunder shall cease and no further obligations of any sort shall be required of the UNIT OF GOVERNMENT. The DEVELOPER shall have no recourse against the affected UNIT OF GOVERNMENT(s) in such event.
- K. No amendment to, or modification of, this Agreement shall be effective unless and until it is in writing and approved by the authorized representative of the DEVELOPER and by each of the UNITS OF LOCAL GOVERNMENT's corporate authorities, and executed and delivered by the authorized representatives of each Party.
- L. If, during the term of this Agreement, any lawsuits or other proceedings are filed or initiated against any Party before any court, commission, board, bureau, agency, unit of government or sub-unit thereof, arbitrator, or other instrumentality, that may materially affect or inhibit the ability of any Party to perform its obligations under, or otherwise to comply with, this Agreement ("Litigation"), the Party against which the Litigation is filed or initiated shall promptly deliver a copy of the complaint or charge related

thereto to the other Parties and shall thereafter keep the other Parties fully informed concerning all aspects of the Litigation. Each Party shall, to the extent necessary, cooperate with the other Parties in this event. The Parties each agree to use their respective best efforts to defend the validity of this Agreement and the Abatement Ordinances adopted pursuant to this Agreement, including every portion thereof and every approval given, and every action taken, pursuant thereto.

- M. The DEVELOPER shall and hereby agrees to defend, hold harmless and indemnify the UNITS OF GOVERNMENT, and their respective elected officials, appointed officials, employees, agents and attorneys (collectively the "UNITS OF GOVERNMENT Affiliates") from and against any and all claims, demands, suits, damages, liabilities, losses, expenses, and judgments which may arise relating to this Agreement. The obligation of the DEVELOPER in this regard shall include, but shall not be limited, to all costs and expenses, including reasonable attorneys' fees, incurred by the UNITS OF GOVERNMENT Affiliates in responding to, defending against, or settling any such claims, demands, suits, damages, liabilities, losses, expenses or judgments. The DEVELOPER covenants that it will reimburse the UNITS OF GOVERNMENT Affiliates, or pay over to the UNITS OF GOVERNMENT Affiliates, all sums of money the UNITS OF GOVERNMENT Affiliates pays, or becomes liable to pay, by reason of any of the foregoing; provided, however, that the DEVELOPER's liability under this Section 5.M. shall be limited to the total amount of Tax Abatement that the DEVELOPER has been received pursuant to this Agreement as of the date of any such claim, demand, suit, damage, liability, loss, expense, or judgment. In any suit or proceeding brought hereunder, the UNITS OF GOVERNMENT Affiliates shall have the right to appoint counsel of their own choosing to represent it, the costs and expenses of which shall be paid by the DEVELOPER.

6. **NOTICES.** Notice or other writings which any Party is required to, or may wish to, serve upon any other Party in connection with this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

A. If to the CITY:

City of West Chicago
475 Main Street

B. If to the LIBRARY:

West Chicago Library District
118 West Washington Street