



May 6, 2019

George Schafer  
Village of Lemont  
418 Main Street  
Lemont, IL 60439

Re: Master Site Development Services  
NWC Archer Avenue & Main Street  
Lemont, Illinois

Mr. Schafer:

Pursuant to our conversation, I am writing to outline Bluestone Single Tenant Properties' proposal to provide Master Site Development Services to the Village of Lemont ("Village") for a mixed-use commercial development on the Village's property located on the northwest corner of Archer Avenue and Main Street (the "Project").

Bluestone Single Tenant Properties ("Bluestone") shall provide the following Master Site Development Services during each phase of the Project:

**Phase I: Day 1 – Day 45**  
**Preliminary Project Planning**

- ⇒ Establish Budget for Phase I, Phase II and Phase III;
- ⇒ Research Village of Lemont zoning and building codes, and identify any variances or special exceptions required for the Project;
- ⇒ Create a comprehensive site plan for the Project in conjunction with Village;
- ⇒ Solicit requests for proposals from qualified surveyors, civil engineers, traffic consultants, environmental engineers, geotechnical engineers, and other third-party vendors for completion of the scope of this engagement;
- ⇒ Review previous documentation on the property provided by the Village, including title, survey, environmental studies, TIF ordinance, and other documents;
- ⇒ Attend preliminary Project reviews with the Village Staff and Mayor;
- ⇒ Prepare preliminary budget of site development costs based upon preliminary site plan and engineering;

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**BLUESTONE SINGLE TENANT PROPERTIES, LLC**

WRIGLEY BUILDING - NORTH TOWER  
410 N. MICHIGAN AVENUE, SUITE 850 | CHICAGO, IL 60611  
TEL (312) 519-7100 | FAX (312) 878-4860

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- ⇒ Facilitate bi-weekly update conference calls with Village on status of the Project;
- ⇒ **“Go/No Go”** Decision by Village based upon feedback received during Phase I.

**Phase II: Day 45 – Day 150**  
**Entitlement Acquisition**

- ⇒ Upon receipt of authorization to proceed from Village, enter into contracts with surveyors, civil engineers, traffic consultants, environmental engineer, and geotechnical engineer;
- ⇒ Coordinate preparation and completion of preliminary engineering drawings, landscape plans, and plat of subdivision;
- ⇒ Engage a traffic study consultant for the preparation of a traffic study. Upon completion and approval by Village, coordinate submittal of traffic study to the Illinois Department of Transportation (“IDOT”) for review of the proposed access driveways on Archer Avenue;
- ⇒ Prepare and submit formal application to Village of Lemont for acquisition of all requisite land use entitlements for mixed-use Project (zoning, variances, special use permits, subdivision, etc.);
- ⇒ Complete Phase I environmental site assessment and evaluate existing No Further Remediation letter affecting the parcels;
- ⇒ Prepare soil boring map and proceed with geotechnical investigation of the property;
- ⇒ Begin dry utility relocation coordination;
- ⇒ Prepare Project presentation for the Plan Commission public hearing and Village Board meetings in collaboration with project civil engineer and traffic engineer;
- ⇒ Attend all Staff, Plan Commission and Village Board meetings to present the proposed development plan and address issues identified during the process;
- ⇒ Refine site plan based upon feedback during entitlement process and obtain Village’s approval of any modifications;
- ⇒ Ensure timely delivery of IDOT’s formal response to the traffic study for the Project;
- ⇒ Review environmental and geotechnical findings with Village Staff;
- ⇒ Manage the preparation of an Economic Impact Study for the Project for presentation to the Village Staff and Village Board;
- ⇒ Facilitate bi-weekly update conference calls with Village on status of the Project;
- ⇒ **“Go/No Go”** Decision by Village based upon results of Phase II entitlement process.

**Phase III: Day 150 – Day 270**  
**Pre-Construction**

- ⇒ Manage the preparation of final engineering for the common access drive, any off-site improvements, utility infrastructure, and mass grading of the property and identify value engineering opportunities to reduce site work costs;
- ⇒ Manage preparation of civil engineering submittal to MWRD;
- ⇒ Manage the preparation of final landscape plans for the Project;
- ⇒ Manage the preparation of a common area maintenance, covenants, conditions, restrictions and easement agreement for the Project for the review and approval of Village;
- ⇒ Coordinate utility relocations with applicable agencies;
- ⇒ Continue to manage the efforts of traffic consultant to ensure timely delivery of IDOT permit for the Project;
- ⇒ Obtain permits from MWRD;
- ⇒ Facilitate bi-weekly update conference calls with Village on status of the Project;

For providing the foregoing services, Bluestone Single Tenant Properties shall be paid a Master Site Development Fee in the amount of One Hundred Fifty Thousand Dollars in three (3) installments according to the following schedule: Fifty Thousand Dollars (\$50,000) concurrent with the execution of this proposal by Village, an additional Fifty Thousand Dollars (\$50,000) upon an affirmative “Go” decision to begin Phase II of the Project by Village at the end of Phase I, and a third installment of Fifty Thousand Dollars (\$50,000) upon an affirmative “Go” decision to begin Phase III of the Project by Village at the end of Phase II. In the event that Village elects not to proceed with the next phase of the Project at the end of the proceeding phase, no further fees will be due to Bluestone.

In addition to the Master Site Development Fee, Bluestone and Village shall enter into three purchase and sale agreements (the “Village Sale Contracts”) during Phase I of the Project with Bluestone as Buyer and Village as Seller for the property depicted on Exhibit A and as follows:

Contract A: Parcel A containing approximately 9.7 acres (including approximately 1.85 acres of detention area) for a purchase price of Seven Hundred Thousand Dollars (\$700,000.00). The intended use of Parcel A is industrial.

Contract B: Parcel B containing approximately 4.8 acres for a purchase price of One Million Four Hundred Thousand Dollars (\$1,400,000.00). The intended uses for Parcel B are a convenience store and fuel center (no extended overnight parking) and retail.

Contract C: Parcel C containing approximately 1.7 acres for a purchase price of Six Hundred Thousand Dollars (\$600,000.00). The intended uses for Parcel C are retail.

Bluestone shall actively market Parcels A, B, and C to prospective end users and real estate developers, and the Village shall refer any prospective purchasers and/or end users or any of the parcels to Bluestone. In

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the event Bluestone assigns any of the Village Sale Contracts to an end user or real estate developer not affiliated with Bluestone for a net sale price greater than the stipulated price of the Village Sale Contract for that parcel, the Village shall receive, in addition to the sale price, upon the sale of that parcel:

- (i) 60% of the net profit (gross sale proceeds less costs less the stipulated sale price of the Village Sale Contract) on the sale of the parcel(s) sold to Village's current prospects of Finkbiner Equipment Company or the car wash user represented by Kiki Ress (the "Village's Protected Parties");

or

- (ii) 40% of the net profit (gross sale proceeds less costs less the stipulated price of the Village Sale Contract) on the sale of parcel(s) sold to entities other than the Village's Protected Parties.

The additional consideration to the Village described above applies to the Village Sale Contracts (i.e. the initial conveyance of the parcels by the Village) to an entity not affiliated all or in part with Bluestone, and is not applicable to any subsequent sale of the parcels. All real estate commissions will be paid by Bluestone or the prospective end users and real estate developers of the parcels.

As an example, in the event Bluestone sells Parcel A to a Village Protected Party for \$900,000 and Bluestone has \$20,000 in costs associated with the sale, the Village shall receive a reimbursement of \$108,000 from Bluestone upon the sale of Parcel A, in addition to the \$700,000 purchase price of the Village Sale Contract for a total of \$808,000 to the Village upon the sale of Parcel A.

During the term of the Master Site Development Services agreement, Bluestone shall prepare an economic incentive request for the Village's consideration utilizing the existing Tax Increment Financing district to reimburse parcel owner(s) for extraordinary development costs of the parcels, including but not limited to environmental remediation, demolition, off-site roadway improvements, utility main extensions, or relocation of existing overhead and buried utilities.

We anticipate the industrial end user will request real estate tax relief to reduce the effective real estate to be the equivalent of Will County's taxing of a comparable use; this would equate to approximately a 50% rebate of the real estate tax generated by the industrial portion of the development.

We have attached in Exhibits B and C the estimate real estate and sales taxes to be generated upon the development of the Project. While the project would begin construction in 2020, real estate taxes will not be fully assessed until 2021 with the real estate tax revenue collected the following year. The project will begin to generate retail sales taxes immediately upon completion in late 2020. Upon full buildout, the Project will generate over \$1,000,000 annually for the Village of Lemont. The attached exhibits only show taxes that will be directed to the Village, and not to other taxing bodies. Bluestone will not seek any incentives from the Village generated from sales tax revenues.

Rick Kwasneski with Kwas Consulting Services, Inc. will assist Bluestone with the Master Development Site Services, and at times, serve as the liaison with the Village.

If the foregoing structure is acceptable to the Village, please indicate your acknowledgement by signing a copy of this letter below and sending it to me at your earliest convenience. Bluestone will draft a formal contract reflecting the terms contained herein.

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Thanks in advance for your consideration,  
*Bluestone Single Tenant Properties, LLC*



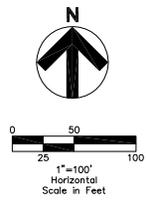
Rick Claes  
Managing Partner

ACKNOWLEDGED & AGREED:  
*Village of Lemont*



Name: George Schaefer  
Title: Village Administrator

# EXHIBIT A



PROJECT NAME  
**BLUESTONE  
 MIXED RETAIL  
 DEVELOPMENT**

LOCATION  
**LEMONT  
 ILLINOIS**

SHEET TITLE  
**CONCEPTUAL  
 SITE PLAN**

REVISIONS

BLUESTONE SINGLE TENANT PROPERTIES, LLC  
 410 N. MICHIGAN AVENUE, SUITE 850  
 CHICAGO, IL 60611



DRAWN BY TDP  
 DATE: May 03, 2018  
 PROJECT NO.:  
 2018-LE-IL  
 SCALE: AS SHOWN

**EXHIBIT B**  
**NWC Archer Avenue & Main Street**  
**Summary of Anticipated Annual Revenue to the Village of Lemont**

<b>REAL ESTATE TAXES</b>		
	<b>Estimated Equalized Assessed Value (EAV)</b>	<b>Annual Real Estate Taxes</b>
Parcel A - Industrial	5,250,000	\$ 397,110
Parcel B - Fuel Center	2,250,000	\$ 170,190
Parcel B - Retail / Quick Service Restaurant	500,000	\$ 37,820
Parcel C - Car Wash / Other Retail	500,000	\$ 37,820
Parcel C - Quick Service Restaurant / Retail	500,000	\$ 37,820
<i>Total Annual Real Estate Taxes</i>		<u>\$ 680,760</u>
<b>RETAIL SALES TAXES</b>		
Fuel Center		\$ 227,688
Retail		\$ 32,000
Quick Service Restaurant		\$ 30,000
<i>Total Annual Sales Taxes to Village of Lemont</i>		<u>\$ 289,688</u>
<b>VIDEO GAMING</b>		
<i>Fuel Center</i>		\$ 19,000
Retail Building		\$ 19,000
<i>Total Gaming Revenue to Village of Lemont</i>		<u>\$ 38,000</u>
<b>TOTAL ANNUAL REVENUE TO VILLAGE OF LEMONT</b>		<b>\$ 1,008,448</b>

**EXHIBIT C**  
**NWC Archer Avenue & Main Street**  
**20-Year Revenue Projection**

Tax Generator	Operating Year																			TOTALS	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038		2039
Real Estate Taxes <sup>1</sup>	\$0	\$25,000	\$680,760	\$687,568	\$694,443	\$701,388	\$708,402	\$715,486	\$722,640	\$729,867	\$737,166	\$744,537	\$751,983	\$759,502	\$767,097	\$774,768	\$782,516	\$790,341	\$798,245	\$806,227	\$13,377,936
Sales Taxes <sup>2</sup>	\$72,422	\$289,688	\$292,585	\$295,511	\$298,466	\$301,450	\$304,465	\$307,510	\$310,585	\$313,691	\$316,827	\$319,996	\$323,196	\$326,428	\$329,692	\$332,989	\$336,319	\$339,682	\$343,079	\$346,510	\$6,101,089
Video Gaming <sup>2</sup>	\$9,500	\$38,000	\$38,380	\$38,764	\$39,151	\$39,543	\$39,938	\$40,338	\$40,741	\$41,149	\$41,560	\$41,976	\$42,395	\$42,819	\$43,248	\$43,680	\$44,117	\$44,558	\$45,004	\$45,454	\$800,314
<b>TOTALS</b>	<b>\$81,922</b>	<b>\$352,688</b>	<b>\$1,011,725</b>	<b>\$1,021,842</b>	<b>\$1,032,061</b>	<b>\$1,042,381</b>	<b>\$1,052,805</b>	<b>\$1,063,333</b>	<b>\$1,073,966</b>	<b>\$1,084,706</b>	<b>\$1,095,553</b>	<b>\$1,106,509</b>	<b>\$1,117,574</b>	<b>\$1,128,749</b>	<b>\$1,140,037</b>	<b>\$1,151,437</b>	<b>\$1,162,952</b>	<b>\$1,174,581</b>	<b>\$1,186,327</b>	<b>\$1,198,190</b>	<b>\$20,279,338</b>

Inflation	1.0%
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<sup>1</sup>Improvements will not be fully assessed until 2021 for taxes payable in 2022

<sup>2</sup>Anticipates retail opening in Fall 2020