

**To:** Dr. Charles Johns  
Board of Education

**From:** Dr. R.J. Gravel

**Date:** Monday, May 24, 2021

**Re:** Northbrook Distribution Center, LLC 6(b) Request

**Recommendation**

It is recommended that the Board of Education direct the administration to submit a letter of support offered as part of Northbrook Distribution Center’s Application for the Cook County 6(b) Designation on an existing property.

**Background**

Cook County has made available a classification to encourage industrial development throughout the county, which provides a real estate tax incentive for the development of industrial facilities and structures. There are three common goals that can be fulfilled by awarding a Class 6(b) designation: attracting new industry, stimulating existing industry, and increasing employment opportunities.

Properties provided a Class 6(b) designation become eligible for the following tax incentive:

- Property assessment at 10% of market value for the first 10 years,
- Property assessment at 15% in the 11th year,
- Property assessment at 20% in the 12th year (before returning to the standard 25% rate),
- Assessment is determined from the date that the new construction or substantial rehabilitation is completed and initially assessed or, in the case of abandoned property, from the date of substantial re-occupancy.

Earlier this month, the Village of Northbrook informed Northbrook School District 27 and Glenbrook High School District 225 that a current Wheeling company, Northbrook Distribution Center, LLC (Sterling Brands, LLC), is considering relocating their warehouse distribution and manufacturing facility to 3401 Commercial Avenue (part of Sky Harbor) in Northbrook. This existing property was built in 1973, has been vacant for approximately three years, and requires significant improvements for any occupant. To support their relocation to Northbrook, Sterling has requested that a Class 6(b) designation be applied to the property they are considering. Details of their development proposal are as follows:

- Improvement of the approximately 48,218 square foot industrial building and located on a 2.89-acre site;
- Improvements include a complete interior renovation and a new electrical system that is intended to comply with LEED certification; and
- The cost of these improvements is estimated at \$500,000.

Sterling Brands, LLC is a 78-year old business that produces American-made vinyl products with recycled materials, such as vinyl chair mats, carpet runners, and strip curtains. Their products are distributed throughout North America and are sold at retailers such as Amazon, Lowe’s Menards, and Walmart.

Sterling was previously located in Northbrook between 1986 and 1998, at which time it relocated to Wheeling. The company plans to transfer at least 25 employees from its current Wheeling location to the proposed property. It expects to hire an additional 45-75 employees over the 12 year 6(b) period, giving employment priority to qualified Northbrook residents.

Given the economic benefits to the Northbrook community, the Village of Northbrook supports providing a Class 6(b) designation on the proposed facility. The estimated property tax revenue impact over the next 12 years of the tax incentive, using 2019 rates, is outlined below:

	<b>Total Tax Estimate Over 12 Years</b>	<b>District 225 Tax<sup>^</sup> Over 12 Years</b>
<b>Occupied - With 6(b)</b>	\$822,470	\$217,132
<b>Vacant - Without 6(b)</b>	\$1,961,044	\$517,716

\* Based on Village-prepared estimates; rounded

<sup>^</sup> Based on 2019 Tax Rates (Glenbrook Tax Rate - \$2.006; Total Tax Rate - \$7.599; Portion - 26.40%)

At this time, the Village of Northbrook has requested that the local districts take this proposal under review and consider providing a letter of support regarding the assignment of Class 6(b) designations. The Village of Northbrook Board of Trustees will review any letters of support submitted at their June 22, 2021 meeting when they review the resolution to support the request that will be submitted to Cook County.



# Village of Northbrook

## DEVELOPMENT & PLANNING SERVICES

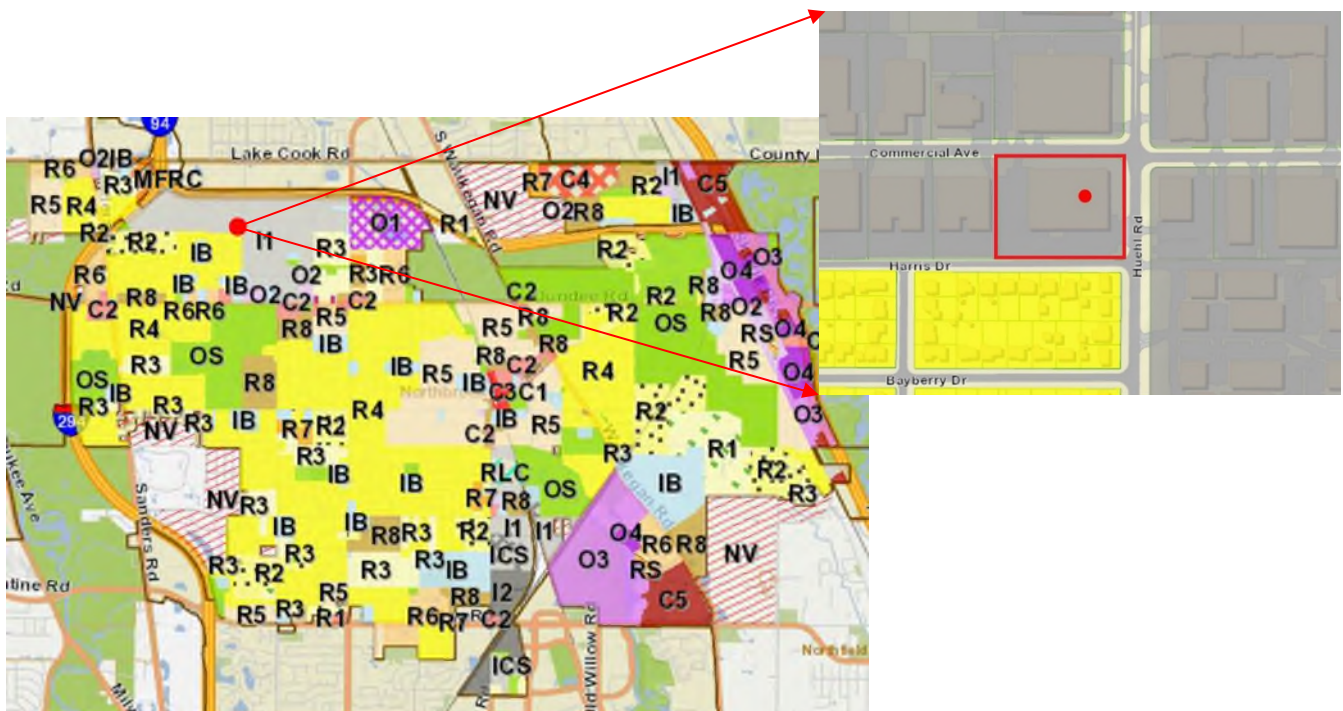
### TRANSMITTAL

**TO:** SCHOOL DISTRICT 225  
SCHOOL DISTRICT 27  
NORTHBROOK PARK DISTRICT  
NORTHBROOK PUBLIC LIBRARY

**FROM:** CHAN YU, DEPUTY DIRECTOR OF DEVELOPMENT & PLANNING SERVICES

**DATE:** May 7, 2021

The Village of Northbrook has received the attached request from Northbrook Distribution Center, LLC requesting that the Village adopt a resolution supporting a Cook County 6b Program application for the property commonly known as 3401 Commercial Avenue, which is located west of Huehl on the south side of Commercial Avenue. A general location map is shown below.



**Figure 1: Location – 3401 Commercial Avenue**

In accordance with the Village's general procedures for the review and approval of 6b tax incentives, the local school and park districts are given the opportunity to review and comment on this request. The Village Board of Trustees is tentatively scheduled to vote on this request at its June 22, 2021 meeting.

Please see the attached request submitted by the applicant, as well as the material we have prepared for our Board of Trustees during preliminary review.

If you wish to have the Village Board review the comments from your taxing district, please forward them to me by June 11, 2021.

If you should have questions of the Village regarding the application, please contact me at [chan.yu@northbrook.il.us](mailto:chan.yu@northbrook.il.us). Questions of the Applicant should be directed to:

Michael A. Ciulla  
33 N. LaSalle St., 28<sup>th</sup> FL  
Chicago, IL 60602  
P: (312) 604-3812  
E: [MCiulla@LTLawChicago.com](mailto:MCiulla@LTLawChicago.com)

I would ask that you please keep me informed of when your Board is scheduled to consider the request, and if you would like the Applicant to attend the meeting.

We look forward to receiving your Board's comments. Thank you.

Sincerely,

Chan Yu, Deputy Director  
Development & Planning Services  
Village of Northbrook



## VILLAGE OF NORTHBROOK MEMORANDUM DEVELOPMENT & PLANNING SERVICES

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**TO:** RICHARD A. NAHRSTADT, VILLAGE MANAGER  
**FROM:** CHAN YU, DPS DEPUTY DIRECTOR  
**DATE:** APRIL 13, 2021  
**SUBJECT:** INITIAL BOARD REVIEW – 3401 COMMERCIAL AVENUE IN THE I1 RESTRICTED INDUSTRIAL DISTRICT - COOK COUNTY 6B PROGRAM REQUEST

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### Introduction

On April 13, 2021, the Board of Trustees will consider a request by Northbrook Distribution Center, LLC (the “Applicant”) as the contract purchaser of the property commonly known as 3401 Commercial Avenue (the “Subject Property”) which is owned by HRE Sky Harbor, LLC (the “Owner”) for consideration of a Class 6b Tax incentive. The Applicant plans to purchase the Subject Property to expand both their businesses, Sterling Brands LLC and Aargus Plastics, Inc., currently located in Wheeling, Illinois. Sterling Brands manufactures American made vinyl products, such as floor mats and strip curtains, and its products are widely distributed to retailers such as Home Depot and Ace Hardware. Aargus Plastics is a polyethylene manufacturer, printer and recycler and specializes in custom plastic bags and liners. Combined, the applicant employs 320 full-time and 12 part-time employees.

The applicant plans to utilize the entire 48,218 square foot industrial building for warehousing and manufacturing the various products by Sterling Brands and Aargus Plastics, and will initially transfer 25 employees to the 3401 Commercial Avenue location. Over the course of the 12-year 6b period, the applicant plans to hire an additional 45-75 employees and will look to qualified Northbrook residents.

The Applicant plans to submit a request to the Cook County Assessor’s Office to receive a County 6b property tax classification based on occupancy of abandoned property for greater than 24 continuous months and substantial rehabilitation. The subject property is 2.89 acres and has 100 parking stalls. The Applicant plans to invest approximately \$500,000 in building improvements, including a complete interior renovation and a new electrical system to qualify as “substantial rehabilitation” of the property. It is stated that the applicant will seek to comply with LEED certification at the Subject Property.

During the April 13, 2021 Board of Trustees meeting, the Applicant will seek initial Board comments on the feasibility of obtaining Village support for a Class 6b incentive. We have attached the application materials submitted by the Applicant, as well relevant background material assembled by the Village Staff concerning the property and the County 6b program.

### Property/Building Description

Key information concerning the property is summarized below:

- The building on the Subject Property has been completely vacant for approximately 3 years.
- The Subject Property has been actively marketed as available for sale or lease by Colliers International since 2018. The contract purchasing price is \$2,450,000.
- The 48,218 square foot building was built in 1973, has 3 exterior docks and consists of a 2.89 acre lot.

- The Subject Property is located in the I-1 Restricted Industrial zoning district and is not within the floodplain.
- The Future Land Use Map in the Comprehensive Plan identifies the property and other properties to the north, east and west as appropriate for General Industrial & Warehouse Uses. The property to the south, across Harris Drive is currently zoned R-4 Single Family Residential and the Future Land Use Map identifies it for Single Family use.
- The property is located in Elementary School District 27 and High School District 225.

**The 6B Program**

The Cook County Class 6b program reduces the overall property tax bill for industrial and warehouse buildings over the course of 12 years. Under the program, properties are assessed based on the following schedule:

- at 10% of market value for the first 10 years,
- 15% in the 11<sup>th</sup> year, and
- 20% in the 12<sup>th</sup> year.
- **In year 13, the property reverts to the normal assessed value of 25% of market value.**

Real estate is eligible for Class 6b status if it is used primarily for “industrial purposes” and is either:

- (a) new construction,
- (b) substantial rehabilitation of a building, or
- (c) occupation of an “abandoned” property.

When approving a 6b tax incentive, the Village has a policy of requiring an agreement that stipulates the Applicant may not apply for an extension of the 6b tax relief program.

In this instance, the Applicant is seeking approval of a 6b incentive as a building that has been abandoned for more than two years and for substantial rehabilitation. The Applicant has prepared an exhibit that depicts the projected property tax impact of the Subject Property. The below table summarizes the overall impact over the 12-year lifespan of the 6b program (2021-2032) assuming if the 6b was approved, not approved but occupied by the applicant, the property tax savings for the applicant if the 6b was approved, and the property tax if it remained vacant for 12 years.:

<b>Estimated Taxes Paid over 12 Years <u>With</u> the Class 6b</b>	<b>Estimated Taxes Paid over 12 years <u>Without</u> The Class 6b</b>	<b>Estimated <u>Savings</u> in Property Taxes over 12 years</b>	<b>Estimated Taxes Paid over 12 years if left Vacant</b>
<b>\$882,470</b>	<b>\$1,961,044</b>	<b>\$1,078,574</b>	<b>\$1,204,563</b>

**Village Procedures for Processing Class 6b Applications**

The Village adopted Resolution No. 07-R-48, “Establishing Eligibility Guidelines and Procedures for Review and Approval of Cook County Class 6B Classification Requests”. The guidelines consist of three basic categories:

1. Economic & Fiscal Impacts of the Business on the Community (50% consideration)
2. Conditions of Existing Building/Site and Private Financial Contribution Compared to Public Assistance (30% consideration)

### 3. Quality of Jobs Created (20% consideration)

In addition, bonus consideration of up to 5% can be awarded due to environmental features of the proposed business. When the Village Board established these eligibility guidelines, they were adopted as general guidelines as a way for the Board to evaluate requests.

Following a review of the comments made by the Board on this initial request, the Applicant will need to decide if it wishes to file a formal Village 6b application. If they proceed, we will route the application and supporting materials to the impacted school districts (in this case, School Districts 27 and 225) as well as the Northbrook Park District and Library District. Up to 45 days is available for a comment period prior to the Board taking final action on the resolution of support. The Village's procedures also provide the ICDC and EDC an opportunity to comment on the proposed requests.

#### **Summary**

Staff suggests that the Board of Trustees focus on the following questions in reviewing this request:

- 1 Does the Applicant's Class 6b request satisfy the general Cook County criteria for the approval of a Class 6b incentive involving a vacant structure?
- 2 Does the Applicant's 6b proposal satisfy the general Village criteria for the approval of a 6b incentive?
- 3 Is the incentive appropriate to encourage the expansion of this business to Northbrook?

The Applicant and staff will be present at the April 13, 2021, meeting to answer any questions from the Board.

THE LAW OFFICES OF  
**LISTON & TSANTILIS**  
A PROFESSIONAL CORPORATION



33 NORTH LASALLE STREET, 28TH FLOOR CHICAGO, ILLINOIS 60602  
BRIAN P. LISTON (312) 580-1594 PETER TSANTILIS (312) 604-3808 FACSIMILE (312) 580-1592

March 25, 2021

**VIA EMAIL & MAIL**

Michaela Kohlstedt  
Director of Development & Planning Services  
1225 Cedar Lane  
Northbrook, Illinois 60062

**RE: Class 6b Resolution Request**  
**Northbrook Distribution Center, LLC**  
**3401 Commercial Avenue**  
**Northbrook, IL 60062**  
**PIN: 04-05-104-007-0000**

Michaela:

Northbrook Distribution Center, LLC (the "Applicant") is the contract-purchaser of the above-referenced property (the "Subject Property"), and is requesting a Resolution from the Village of Northbrook supporting and consenting to a Class 6b Tax Incentive for the Subject Property based on re-occupancy of vacant property for greater than 24 continuous months vacancy with a purchase for value and substantial rehabilitation. The Subject Property has been vacant for approximately three (3) years.

The Subject Property is 49 years old and currently consists of a 48,218 square foot industrial building located on a 126,464 square foot site. Sterling Brands LLC and Aargus Plastics, Inc. (the "Occupants") plan to occupy the property, and will use the site to expand their growing business. Sterling Brands LLC is currently located at 555 Allendale Drive, Wheeling, IL 60090, and Aargus Plastics, Inc. is currently located at 540 Allendale Drive, Wheeling, IL 60090. The Applicant has determined the Subject Property is an ideal location to expand both of these businesses, and will allow the companies to continue their growth and hire additional employees.

Sterling Brands LLC was formed in 1943 and is a producer of American made vinyl products, such as vinyl chair mats, carpet runners, and strip curtains. These mats are also used in automobiles, workshops, and for household pets. Also, its products are manufactured with recycled materials. These products are widely distributed throughout North America, and are sold at retailers such as The Home Depot, Ace Hardware, and Menards.

Aargus Plastics, Inc. is one of the most multi-dimensional low and high density polyethylene extruders, printers, converters, and recyclers in the country. A leading polyethylene manufacturer since 1959, its diverse lines are outfitted to match the ever-changing world of its customers, and its recyclable products are made to custom specifications for each customer's needs.

The Occupants plan to utilize the Subject Property for warehousing and manufacturing. After closing, the Applicant plans to make various improvements and renovations to the property. The Applicant plans a complete interior renovation, to construct two additional washrooms and an office area, and to replace and upgrade the electrical systems throughout the building. Once improvements are finished, the Occupants plan to occupy the entire Subject Property. The Occupants currently employ a combined 320 full-time and 12 part-time employees, and plan to immediately transfer at least 25 employees to the new location. All employees are paid in accordance with Living Wage requirements. The Occupants both plan to hire new employees over the course of the twelve (12) year 6b period, and will look to qualified Northbrook residents as they rapidly expand their businesses. Specifically, it plans to hire an additional 45-75 employees over the 12-year 6b period.



**LISTON & TSANTILIS**

After purchasing the property for \$2,450,000, the Applicant plans to invest approximately \$500,000 in improvements to the property, which will result in approximately five (5) temporary construction jobs. The Applicant has also allocated additional monies for any further improvements the Village so requires. The Occupants will also utilize recycling programs and comply with LEED certification at the Subject Property.

After purchasing the property and implementing the subsequent improvements, the Subject Property is projected to have a market value of approximately \$2,950,000, which would generate an estimated \$882,470 in total taxes over the life of the Class 6b Tax Incentive. Without the incentive, the property will receive vacancy relief and further reduce the taxes.

Further, if the Class 6b Incentive is approved and the Applicant closes on the sale, the Applicant's presence would contribute an additional estimated \$1,507,500 to the economy of the Village of Northbrook over 12 years, as employees would spend money in Village hotels, restaurants, retailers, gas stations, and recreational establishments. Therefore, should the Class 6b Incentive be approved, the Subject Property would generate approximately \$1,507,500 in additional income over the life of the Class 6b Tax Incentive, and potentially even more as both Occupants expand and hire additional employees. Please see the attached "12 Year Tax Comparison Chart."

Without the assistance from the Class 6b Incentive, the Applicant will not purchase the Subject Property; the Applicant has determined that without the incentive, the heavy Cook County property tax burden may require it to bring its operations to a neighboring county, state, or community. In the event the Applicant does not close on the property, it will remain vacant and unused, and receive vacancy relief thereby lowering its total taxes.

The Applicant's proposed project is a substantial investment into the Northbrook economy, and without the assistance of a Class 6b Tax Incentive, the Applicant has determined that the project will not be feasible. The incentive will allow the Applicant to rehabilitate, renovate and occupy a vacant an unused building, and to contribute a significant amount to the local economy.

Based on the foregoing, the Applicant requests that the Village of Northbrook review its Class 6b request and approve a Resolution supporting and consenting to a Class 6b Incentive for the Subject Property based on re-occupation of abandoned property for greater than 24 months continuous vacancy with a purchase for value and substantial rehabilitation. Should you need any additional documentation or have any questions or concerns, do not hesitate to contact me at (312) 604-3812 or via email at [mciulla@lmlawchicago.com](mailto:mciulla@lmlawchicago.com).

Respectfully submitted,



Michael A. Ciulla, Esq.

Encls.

**12 Year Tax Estimates**  
 3401 Commercial Avenue  
 Northbrook, Illinois 60062  
 PIN: 04-05-104-007-0000

**Estimated Taxes**

Tax Year	2019 Tax Rate	2019 Tax Multiplier	Estimated Effective Tax Rate*	Estimated Taxes at the \$2,450,000 PP and \$500,000 improvements, Full Occupancy & a 6b	Assessment Level With NO Class 6b**	Estimated Market Value Based on the 2020 Cook County Assessed Value, Full Occupancy & No 6b	Assessment Level With NO Class 6b	Estimated Taxes at the \$2,450,000 PP and \$500,000 improvements, Full Occupancy & No 6b	Assessment Level With NO Class 6b	Estimated Market Value Based on the 2020 Cook County Assessed Value, Full Vacancy & No 6b	Assessment Level With NO Class 6b	Estimated Taxes at Full Vacancy Without a Class 6b
2021	7.599%	2.9160	22.159%	\$2,950,000	25%	\$2,265,032	25%	\$2,950,000	25%	\$1,812,025	25%	\$100,380
2022	7.599%	2.9160	22.159%	\$2,950,000	25%	\$2,265,032	25%	\$2,950,000	25%	\$1,812,025	25%	\$100,380
2023	7.599%	2.9160	22.159%	\$2,950,000	25%	\$2,265,032	25%	\$2,950,000	25%	\$1,812,025	25%	\$100,380
2024	7.599%	2.9160	22.159%	\$2,950,000	25%	\$2,265,032	25%	\$2,950,000	25%	\$1,812,025	25%	\$100,380
2025	7.599%	2.9160	22.159%	\$2,950,000	25%	\$2,265,032	25%	\$2,950,000	25%	\$1,812,025	25%	\$100,380
2026	7.599%	2.9160	22.159%	\$2,950,000	25%	\$2,265,032	25%	\$2,950,000	25%	\$1,812,025	25%	\$100,380
2027	7.599%	2.9160	22.159%	\$2,950,000	25%	\$2,265,032	25%	\$2,950,000	25%	\$1,812,025	25%	\$100,380
2028	7.599%	2.9160	22.159%	\$2,950,000	25%	\$2,265,032	25%	\$2,950,000	25%	\$1,812,025	25%	\$100,380
2029	7.599%	2.9160	22.159%	\$2,950,000	25%	\$2,265,032	25%	\$2,950,000	25%	\$1,812,025	25%	\$100,380
2030	7.599%	2.9160	22.159%	\$2,950,000	25%	\$2,265,032	25%	\$2,950,000	25%	\$1,812,025	25%	\$100,380
2031	7.599%	2.9160	22.159%	\$442,500	25%	\$2,265,032	25%	\$2,950,000	25%	\$1,812,025	25%	\$100,380
2032	7.599%	2.9160	22.159%	\$130,736	25%	\$2,265,032	25%	\$2,950,000	25%	\$1,812,025	25%	\$100,380
				<b>Total Estimated Taxes (2021 to 2032)</b>				<b>Total Estimated Taxes (2021 to 2032)</b>		<b>Total Estimated Taxes (2021 to 2032)</b>		<b>\$1,204,563</b>

**Notes:**  
 \*The 2019 Tax Rate (the 2019 tax rate x the 2019 multiplier) was used. It does not take into account any increases or decreases in the Effective Tax Rate between 2021 and 2032.  
 \*\*The above is based on the assumption that the Class 6b Tax Incentive for the subject property will be granted in 2021.

The above estimates are speculative, and should be treated as such.

**COOK COUNTY ASSESSOR**  
**FRITZ KAEGI**



COOK COUNTY ASSESSOR'S OFFICE  
118 NORTH CLARK STREET, CHICAGO, IL 60602  
PHONE: 312.443.7550 FAX: 312.603.6584  
WWW.COOKCOUNTYASSESSOR.COM

**CLASS 6B**  
**ELIGIBILITY APPLICATION**

Carefully review the Class 6B Eligibility Bulletin before completing this Application. For assistance, please contact the Assessor's Office, Development Incentives Department (312) 603-7529. This application, *a filing fee of \$500.00*, and supporting documentation (*except drawings and surveys*) must be filed as follows:

This application must be filed **PRIOR TO** the commencement of New Construction or **PRIOR TO** the commencement of Substantial Rehabilitation Activities or **PRIOR TO** the commencement of Reoccupation of Abandoned Property.

***Applicant Information***

Name: Northbrook Distribution Center, LLC Telephone: (\_\_\_\_) 847.325.4444  
Address: 540 Allendale Drive  
City: Wheeling State: IL Zip Code: 60090

***Contact Person (if different than the Applicant)***

Name: Jerome Starr Telephone: (\_\_\_\_) 847.325.4444  
Address: 540 Allendale Drive  
City: Wheeling State: IL Zip Code: 60090  
Email: jerry@aargusplastics.com

***Property Description (per PIN)***

If you are applying for more than three different PINs, please submit the additional PIN information in an attachment.

Street Address: (1) 3401 Commercial Avenue  
Permanent Real Estate Index Number: 04-05-104-007-0000  
(2) \_\_\_\_\_  
Permanent Real Estate Index Number: \_\_\_\_\_  
(3) \_\_\_\_\_  
Permanent Real Estate Index Number: \_\_\_\_\_  
City: Northbrook State: IL Zip Code: 60062  
Township: Northfield Existing Class: 593

Attach legal description, site dimensions and square footage and building dimensions and square footage.

**Identification of Person Having an Interest in the Property**

Attach a complete list of all owners, developers, occupants and other interested parties (*including all beneficial owners of a land trust*) identified by names and addresses, and the nature and extent of their interest.

**Industrial Use**

Attach a detail description of the precise nature and extent of the intended use of the subject property, specifying in the case of the multiple uses the relative percentages of each use.

Include copies of materials, which explain the occupant's business, including corporate letterhead, brochures, advertising material, leases, photographs, etc.

**Nature of Development**

Indicate nature of proposed development by checking the appropriate space:

- New Construction (**Read and Complete Section A**)
- Substantial Rehabilitation (**Read and Complete Section A**)  
**Incentive only applied to the market value attributable to the rehabilitation**
- Occupation of Abandoned Property - No Special Circumstance  
**(Read and Complete Section B)**
- Occupation of Abandoned Property - With Special Circumstance  
**(Read and Complete Section C)**
- Occupation of Abandoned Property - **(TEERM Supplemental Application)**  
**(Read and Complete Section C)**

**SECTION A (NEW CONSTRUCTION/SUBSTANTIAL REHABILITATION)**

If the proposed development consists of *New Construction* or *Substantial Rehabilitation*, provide the following information:

Estimated date of construction commencement (*excluding demolition, if any*): 2Q/3Q 2021

Estimated date of construction completion: 3Q/4Q 2021

Attach copies of the following:

1. Specific description of the proposed *New Construction* or *Substantial Rehabilitation*
2. Current Plat of Survey for subject property
3. 1<sup>st</sup> floor plan or schematic drawings
4. Building permits, wrecking permits and occupancy permits (*including date of issuance*)
5. Complete description of the cost and extent of the *Substantial Rehabilitation* or *New Construction* (*including such items as contracts, itemized statements of all direct and indirect costs, contractor's affidavits, etc*)

**SECTION B (ABANDONED PROPERTY WITH NO SPECIAL CIRCUMSTANCE)**

If the proposed development consists of the reoccupation of abandoned property, purchased for value, complete (1) and (2) below:

1. Was the subject property vacant and unused for at least 24 continuous months prior to the purchase for value?

YES       NO

When and by whom was the subject property last occupied prior to the purchase for value?

2018, HRE Sky Harbor, LLC

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Attach copies of the following documents:

- (a) Sworn statements from person having personal knowledge attesting to the fact and the duration of vacancy and abandonment
- (b) Information (*such as statements of utility companies*) which demonstrate that the property was vacant and unused and indicate duration of such vacancy

2. Application must be made to the Assessor prior to occupation:

Estimated date of reoccupation:	<u>May 2021</u>
Date of Purchase:	<u>March 11, 2021</u>
Name of purchaser:	<u>Northbrook Distribution Center, LLC</u>
Name of seller:	<u>HRE Sky Harbor, LLC</u>
Relationship of purchaser to seller:	<u>none</u>

Attach copies of the following documents:

- (a) Sale Contract
- (b) Closing Statement
- (c) Recorded Deed
- (d) Assignment of Beneficial Interest
- (e) Real Estate Transfer Declaration

**SECTION C (SPECIAL CIRCUMSTANCES)**

If the applicant is seeking special circumstances to establish that the property was abandoned for purposes of the Incentive where there was a **purchase for value**, but the period of **abandonment prior to purchase was less than 24 months**, complete section (1).

If the applicant is seeking special circumstances to establish that the property was abandoned for purposes of the Incentive where there was **no purchase for value**, but the period of **abandonment prior to the application 24 continuous months or greater**, complete section (2).

If the applicant is seeking special circumstances to establish that the property was abandoned for purposes of the Incentive where there was **no purchase for value**, but the period of **abandonment prior to the application was greater than 12 continuous months and less than 24 continuous month**, complete section (2) and the **TEERM Supplemental Application**.

1. How long was the period of abandonment prior to the purchase for value? \_\_\_\_\_

When and by whom was the subject property last occupied prior to the purchase for value?

\_\_\_\_\_  
\_\_\_\_\_

Attach copies of the following documents:

- (a) Sworn statements from persons having personal knowledge attesting to the fact and the duration of the vacancy and abandonment
- (b) Information (*such as statements of utility companies*) which demonstrate that the property was vacant and unused and indicate duration of vacancy
- (c) Include the finding of special circumstances supporting "abandonment" as determined by the municipality, or the County Board, if located in an unincorporated area. *Also include the ordinance or resolution from the Board of Commissioners of Cook County stating its approval for less than 24-month abandonment period.*

Application must be made to the Assessor prior to the commencement of reoccupation of the abandoned property.

Estimated date of Reoccupation: \_\_\_\_\_  
Date of purchase: \_\_\_\_\_  
Name of purchaser: \_\_\_\_\_  
Name of seller: \_\_\_\_\_  
Relationship of purchaser to seller: \_\_\_\_\_

Attach copies of the following documents:

- (a) Sale Contract
- (b) Closing Statement
- (c) Recorded Deed
- (d) Assignment of Beneficial Interest
- (e) Real Estate Transfer Declaration

2. How long has the subject property been unused?

- 24 or greater continuous months (*Eligible for Special Circumstance*)
- 12 continuous months but less than 24 continuous months (*Eligible for Special Circumstance under TEERM*) - **Complete TEERM Supplemental Application**
- Less than 12 continuous months (*Not Eligible for Special Circumstance*)

When and by whom was the subject property last occupied prior to the filing of this application?

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Attach copies of the following documents:

- (a) Sworn statements from persons having personal knowledge attesting to the fact and the duration of the vacancy and abandonment
- (b) Information (*such as statements of utility companies*) which demonstrate that the property was vacant and unused and indicate duration of vacancy
- (c) Include the finding of special circumstances supporting “abandonment” as determined by the municipality, or the County Board, if located in an unincorporated area. Also include the ordinance or resolution from the Board of Commissioners of Cook County stating its approval for lack of a purchase for value.

Application must be made to Assessor prior to the commencement of reoccupation of the abandoned property.

Estimated date of reoccupation: \_\_\_\_\_

**TEERM SUPPLEMENTAL APPLICATION**

*(This form will ONLY be utilized for applicants who specifically elect for TEERM)*

*This supplemental eligibility application is for properties that have been abandoned (due to special circumstances) for at least 12 continuous months and less than 24 continuous months with no purchase taking place.*

*Under the **TEERM** Program, qualifying industrial real estate would be eligible for the Class 6B level of assessment from the date of substantial re-occupancy of the abandoned property. Properties receiving Class 6B will be assessed at 10% of market value for the first 10 years, 15% in the 11th year and 20% in the 12th year. **The terms of this program are Not Renewable.***

I \_\_\_\_\_ applicant/representative hereby specifically elect to submit this **Supplemental Application** for the **TEERM** program.

Further affiant sayeth not.

\_\_\_\_\_  
Agent's Signature

\_\_\_\_\_  
Agent's Name & Title

\_\_\_\_\_  
Agent's Mailing Address

\_\_\_\_\_  
Agent's Telephone Number

\_\_\_\_\_  
Applicant's Name

\_\_\_\_\_  
Applicant's Mailing Address

\_\_\_\_\_  
Applicant's e-mail address

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

\_\_\_\_\_  
Signature of Notary Public



**EMPLOYMENT OPPORTUNITIES**

How many construction jobs will be created as a result of this development? 5

How many new permanent full-time and part-time employees do you now employ in Cook County?

Full-time: 320 Part-time: 12

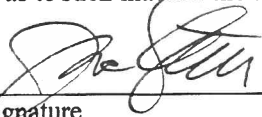
How many new permanent full-time jobs will be created as a result of this proposed development?  
25

How many new permanent full-time jobs will be created as a result of this proposed development?  
0

**LOCAL APPROVAL**

A certified copy of a resolution or ordinance from the municipality in which the real estate is located (*or the County Board, if the real estate is located in an unincorporated area*) should accompany this Application. *The ordinance or resolution must expressly state that the municipality supports and consents to this Class 6B Application and that it finds Class 6B necessary for development to occur on the subject property.* If a resolution is unavailable at the time the application is filed, a letter from the municipality or the County Board, as the case may be, stating that a resolution or ordinance supporting the incentive has been requested may be filed with this application instead. If the applicant is seeking to apply based on the reoccupation of abandoned property and will be seeking a finding of "special circumstances" from the municipality, in addition to obtaining a letter from the municipality confirming that a resolution or ordinance supporting the incentive has been requested, the applicant must file a letter from the County Board confirming that a resolution validating a municipal finding of special circumstances has been requested. If, at a later date, the municipality or the County Board denies the applicant's request for a resolution or ordinance, the applicant will be deemed ineligible for the Class 6B incentive, whether or not construction has begun. In all circumstances, the resolution must be submitted by the time the applicant files an "Incentive Appeal".

**I, the undersigned, certify that I have read this Application and that the statements set forth in this Application and in the attachments hereto are true and correct, except as those matters stated to be on information and belief and as to such matters the undersigned certifies that he/she believes the same to be true.**

  
\_\_\_\_\_  
Signature  
Jerome Starr  
\_\_\_\_\_  
Print Name

3-16-21  
\_\_\_\_\_  
Date  
PRESIDENT  
\_\_\_\_\_  
Title



# COOK COUNTY CLASS 6B

## VILLAGE OF NORTHBROOK APPLICATION

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When submitting a request to the Village of Northbrook for a Cook County Class 6b resolution of support, please submit one reproducible copy of the following information to the Economic Development Coordinator, Community Planning Department, 1225 Cedar Lane, Northbrook, IL 60062. If you have questions regarding the application materials or process, you may contact the Community Planning Department at (847) 664-4052 or by e-mail at david.schoon@northbrook.il.us.

### GENERAL INSTRUCTIONS

- Prior to completing an application, an applicant is strongly encouraged to contact the Village's Economic Development Coordinator to discuss the property and project for which they are requesting the Class 6b classification. The contact information is listed above.
- Fill out the application materials completely. If any questions are left unanswered or required documents not submitted, an explanation for the omission must be included.
- Only typed applications will be accepted and reviewed.
- Only complete applications will be presented to the Board of Trustees for consideration.

### REQUIRED APPLICATION MATERIALS

Please submit a completed Cook County Assessor's Office *Class 6b Eligibility Application* & all applicable attachments, **plus** the following information.

#### **Economic & Fiscal Impacts of Business on the Community**

1. Provide the North American Industry Classification System (NAICS) code(s) for the business to occupy the subject property. Describe the potential for future growth of the business and of the industry the business is in.

**Answer:** 326199; Please see attached Cover Letter

2. If an existing business, provide information regarding the business' current operations, such as locations, size of current facilities, and number of current employees. Also explain why the business is relocating or expanding to Northbrook.

**Answer:** The businesses are currently located at 540/555 Allendale Drive, Wheeling, IL 60090 in a combined 230,000 square foot building, and currently employ 332 employees. The businesses are expanding to Northbrook to expand its operations.

3. Do any Northbrook businesses provide services or supplies to the business that will be locating on the subject property? If so, please list the businesses and describe the services/supplies they would provide?

**Answer:** No

4. Does the business that will be locating on the subject property provide services or supplies to Northbrook businesses? If so, please list the businesses and describe the services/supplies that would be provided to them.

**Answer:** Home Improvement/Hardware retailers – vinyl floor mats, car mats, strip curtains, pet mats

5. Explain by how much the proposed construction of building additions or other significant improvements to the site would increase the assessed value of the property.

**Answer:** Approximately \$500,000 in improvements to the current market value of 2,265,032 = \$2,950,000

6. Will the project require the Village to invest in public infrastructure improvements? If so, what percentage of the costs of those improvements will the business/developer contribute?

**Answer:** No

7. Will the project generate new local sales tax? If so, how much would be annually generated?

**Answer:** No

8. Is the business a start-up company or an expansion of an existing Northbrook operation?

**Answer:** No

9. Describe the business' history of contributing to its community through volunteer work, financial contributions or other means. If a new start-up business, please demonstrate the business' commitment to becoming involved in the community.

**Answer:** TBD, Applicant is currently exploring options

**Conditions of Existing Building /Site and Private Financial Contribution Compared to Public Assistance**

10. If purchasing the property, provide documentation from the current property owners that they have made a reasonable effort to market the property, including a description of those efforts. Provide a chronological detail of those efforts.

**Answer:** Colliers listing attached.

11. Has the current owner of the subject property filed a vacancy appeal with the County within the last two years? If so, please provide a copy of the appeal and details of how the appeal has affected the assessed value of the property.

**Answer:**

Yes, copy of appeal unavailable (filed with different law firm than currently retained counsel). 2019 AV from \$764,610 to \$367,910, 2020 AV from \$764,610

12. Submit a tax impact table showing the projected property taxes that would be paid if the 6b is granted over the life of the 6b and the property taxes that would be paid if the property is reused without the 6b (A suggested format is available in a Microsoft Excel worksheet).

**Answer:** Attached

13. Submit copies of the property tax bill for the subject property for the past three years.

**Answer:** Attached

14. Provide an explanation and documentation for why the site in question is difficult to lease or sell due to age, size, condition, or unique characteristics of the building.

**Answer:** Property has been vacant over three years

15. If purchasing the property, provide a copy of a certified appraisal of the property or other documentation demonstrating that the property's purchase price is not the reason for needing a Class 6b incentive;

**Answer:** To be provided.

16. Provide documentation indicating that deferred maintenance issues are not the reasons for needing the 6b incentive.

**Answer:** To be provided

17. Provide details regarding the amount of investment the applicant and the business planning to occupy the subject property plan to invest in the property.

**Answer:** Approximately \$500,000

18. What is the purchase price of the real property on the subject property? Provide support documentation, such as a copy of the purchase contract.

**Answer:** \$2,450,000, PSA attached

19. Submit a narrative and supporting documents indicating the need for the 6b incentive.

**Answer:** See attached Cover Letter

**Quality Jobs to be Created**

20. Provide the projected number of employees that will be located at the Northbrook facility and the average wage for those employees.

**Answer:** 25 employees, wages to be provided. But meet Living Wage Act

21. Provide a break down between full-time, part-time, and seasonal employees at the Northbrook facility.

**Answer:** 25 full-time

22. Provide a breakdown between current employees, if any, that will transfer from the business' existing facilities and new employees from the local area.

**Answer:** 25 full-time will be transferred from Wheeling facility.

23. Provide the projected total annual payroll for the Northbrook facility.

**Answer:** To be provided

**Environmental Impact**

24. Please describe if the business has implemented any of the following as part of its operations:
- a. Comprehensive energy and resource efficiency programs, including green buildings (e.g. LEED certification, binding energy efficiency commitments, etc.)
  - b. Comprehensive waste reduction, waste exchange, and recycling programs.

**Answer:** Recycling programs and LEED certification

25. Please describe if the company has introduced environmentally sound products/services, including but not limited to:
- a. Products/services that expand markets for recycled materials.
  - b. Development of renewable energy resources or products that conserve energy.

**Answer:** Recyclable plastic products

**Class 6b General Requirements & Standards**

26. Does the proposal satisfy all applicable Cook County criteria for the approval of a Class 6b incentive?

**Answer:** Yes

27. Does the applicant agree to develop, operate, and maintain the Subject Property in compliance with all codes and ordinances of the Village of Northbrook?

**Answer:** Yes

28. Does the applicant acknowledge that the Village shall not renew a Class 6b incentive after the initial 12-year Class 6b assessment time period has expired?

**Answer:** Yes

29. Does the applicant agree to tie the property tax relief from the Class 6b classification to a specific business(es) locating and remaining on the subject property for length of the 12-year Class 6b assessment time period?

**Answer:** Yes

30. Does the applicant agrees that during the life of the Class 6b schedule, the applicant shall agree not to seek a property tax protest that would result in a property value less than the fair market value set by the Cook County Assessor's Office during the first year of the Class 6b schedule.

**Answer:** Yes

31. The applicant must acknowledge that it must enter into an agreement with the Village setting the terms and conditions for the Village's support and consent to the Class 6b classification.

**Answer:** Yes

### APPLICATION FEES & DEADLINES

Along with the application materials, please submit a check in the amount of \$5,000 to cover Village staff, legal and consultant expenses to process the application.

The Village Board meets on the second and fourth Tuesday of each month. Completed applications should be submitted to the Economic Development Coordinator two weeks prior to the meeting at which the applicant wishes to have the Board review the preliminary application.

**The \$5,000 fee is not necessary for a preliminary review, but is required afterward, if the Applicant wishes to proceed**

## VILLAGE OF NORTHBROOK GUIDELINES

The Northbrook Board of Trustees shall use the following guidelines when determining the suitability of a specific request for a Cook County Class 6b Classification (*per Resolution No. 07-R-48*).

### **Economic & Fiscal Impacts of Business on the Community** (50% consideration)

Higher consideration to be given for:

- Potential for future growth of the business and of the industry the business is in.
- Businesses that build on the resources, materials, and workforce of the local community.
- A greater increase in the assessed value of the property through the construction of building additions or making other significant improvements to the site.
- Projects not requiring new public capital improvements. If public infrastructure improves are necessary, a greater contribution by the developer for public infrastructure improvements.
- A greater amount of sales tax base expansion.
- Businesses that have a history of contributing to their communities through volunteer work, financial contributions or other means. If a new start-up business, the business demonstrates its commitment to becoming involved in the community.
- Start-up companies and expansions of existing local operations.

### **Conditions of Existing Building /Site and Private Financial Contribution Compared to Public Assistance** (30% consideration)

Higher consideration to be given for:

- Buildings that have been vacant for two years or more.
- Sites for which prior to applying for a Class 6b exemption, a vacancy appeal for the site has been granted by Cook County.
- A property owner demonstrating that reasonable efforts have been made to market the property over time.
- Sites that are difficult to lease or sell due to age, size, condition, or unique characteristics of the building.
- Sites for which the purchase price of the property is market rate and is not the reason for needing a 6b incentive and for which deferred maintenance issues are not the reasons for needing the 6b incentive.
- A greater ratio of investment by the assisted business compared to amount of Class 6b relief.
- A lower ratio of Class 6b relief compared to total annual payroll
- A greater ratio of value of improvements to existing the building to purchase price of the real property.
- Quality of the case being made that the Class 6b is necessary for the project to move forward.

### **Quality Jobs to be Created** (20% consideration)

Higher consideration to be given for:

- Higher wage rates.
- Full-time; long-term, non-seasonal positions.

**OVERALL CONSIDERATION – 100%**

### **Environmental Impact** (Bonus Consideration of up to 5%)

Higher consideration to be given for:

- The more environmentally sound the company's operation, including but not limited to:
  - Comprehensive energy and resource efficiency programs, including green buildings (e.g. LEED certification, binding energy efficiency commitments, etc.)
  - Comprehensive waste reduction, waste exchange, and recycling programs.
- The more environmentally sound the company's products/services, including but not limited to:
  - Products/services that expand markets for recycled materials.
  - Development of renewable energy resources or products that conserve energy.

**Class 6B General Requirements & Standards**

1. The proposal must satisfy all applicable Cook County criteria for the approval of a Class 6b incentive;
2. The proposal must be consistent with the Comprehensive Plan and Strategic Plan for Economic Development
3. The applicant shall agree to develop, operate, and maintain the Subject Property in compliance with all codes and ordinances of the Village of Northbrook;
4. The Village shall not renew a Class 6b incentive after the initial 12-year Class 6b assessment time period has expired.
5. The Village's support of a particular Class 6b request shall be tied to a specific business(es) that will occupy the subject property and benefit from the Class 6b property classification.
6. During the life of the Class 6b schedule, the applicant shall agree not to seek a property tax protest that would result in a property value less than the fair market value set by the Cook County Assessor's Office during the first year of the Class 6b schedule.
7. The Village shall require an agreement with the applicant setting the terms and conditions for Class 6b approval.

**Class 6B Review Process**

Prior to the Board of Trustees' preliminary review of a Class 6b request, the Village Board Administration and Finance Committee shall review the request and make its recommendation to the full Village Board. At the preliminary review stage, the Village Board shall decide whether or not the application merits forwarding it to the other taxing districts, EDC, and ICDC for review and comment. If the Village Board should determine the application has merits, School District 225, the Park District, and the impacted elementary school district shall be given 45-days to review and make a formal recommendation to the Village Board regarding a Class 6b request. Also during that 45-day time period, the Industrial and Commercial Development Commission and Economic Development Committee shall review and forward a recommendation to the Village Board.

**Reimbursement of Village Expenses**

An applicant requesting the Class 6b Classification shall be responsible for the actual expenses incurred by the Village in processing an application. Such costs shall include, but not be limited to, the following direct and indirect expenses: (1) administrative and document preparation and review by Village staff, (2) professional and technical consultant services, (3) legal review, consultation, and document preparation, and (4) copy reproduction, document recordation, postage, and other miscellaneous expenses necessary to process the request.

**Application Fee & Escrow Deposit**

A \$5,000 application fee and escrow deposit shall be submitted with each Class 6b request to reimburse the Village for expenses associated with processing the application. If these expenses exceed the amount of the initial application fee and escrow deposit, the applicant is responsible for reimbursing the Village for the additional expenses. If the Village does not approve the request and the actual expenses are less than the amount of the fee and escrow deposit, the applicant will be issued a refund of the surplus funds by the Village. If the Village approves the request and the actual expenses are less than the amount of the fee and escrow deposit, the Village will retain all surplus funds.



**Regular Board & Commission Meeting Days & Times**

Village of Northbrook Board of Trustees`	2 <sup>nd</sup> & 4 <sup>th</sup> Tuesday of Each Month, 8:00 p.m.
School District #225 (Glenbrook High Schools)	2 <sup>nd</sup> & 4 <sup>th</sup> Monday of Each Month, 7:30 p.m.
Elementary School Districts	
School District #27	1 <sup>st</sup> & 3 <sup>rd</sup> Thursday of Each Month, 7:30 p.m.
School District #28	Last Tuesday of Each Month, 7:00 p.m.
School District #30	2 <sup>nd</sup> & 4 <sup>th</sup> Thursday of Each Month, 8:00 p.m.
School District #31	2 <sup>nd</sup> & 4 <sup>th</sup> Thursday of Each Month, 7:00 p.m.
Northbrook Park District	4 <sup>th</sup> Wednesday of Each Month, 7:00 p.m.
Industrial & Commercial Development Commission	4 <sup>th</sup> Tuesday of Each Month, 7:30 a.m.
Economic Development Committee	2 <sup>nd</sup> Wednesday of January & July, 7:30 a.m. (Special meetings of the Economic Development Committee may be called at the applicant's request.)

**TOTAL PAYMENT DUE**

**2020 First Installment Property Tax Bill - Cook County Electronic Bill**

<b>\$0.00</b>	Property Index Number (PIN)	Volume	Code	Tax Year	(Payable In)	Township	Classification
By 04/01/21	04-05-104-007-0000	131	25076	2020	(2021)	NORTHFIELD	5-93
<b>IF PAYING AFTER 04/01/21, PLEASE PAY</b>	04/02/21-05/03/21 <b>\$0.00</b>	<b>OR</b>	05/04/21-06/01/21 <b>\$0.00</b>	<b>OR</b>	06/02/21-07/01/21 <b>\$0.00</b>		

**TAXING DISTRICT DEBT AND FINANCIAL DATA**

Your Taxing Districts	Money Owed by Your Taxing Districts	Pension and Healthcare Amounts Promised by Your Taxing Districts	Amount of Pension and Healthcare Shortage	% of Pension and Healthcare Costs Taxing Districts Can Pay
Northwest Mosquito Abatement Wheeling	\$213,887	\$7,369,108	\$526,648	92.85%
Metro Water Reclamation Dist of Chicago	\$3,404,722,000	\$2,909,890,000	\$1,377,581,000	52.66%
Northbrook Park District	\$13,320,663	\$34,408,172	-\$849,221	102.47%
Oakton College Dist Skokie Des Plaines	\$93,941,502	\$43,842,673	\$26,594,266	39.34%
Glenbrook HS District 225 (Glenview)	\$109,647,178	\$75,088,588	\$7,072,470	90.58%
Northbrook School District 27	\$18,083,557	\$16,257,477	\$2,148,335	86.79%
Village of Northbrook	\$172,865,445	\$296,852,938	\$105,728,901	64.38%
Town of Northfield	\$479,741	\$5,942,986	\$780,490	86.87%
Cook County Forest Preserve District	\$193,646,842	\$457,040,680	\$246,669,734	46.03%
County of Cook	\$6,898,027,070	\$23,257,290,307	\$13,395,266,525	42.40%
<b>Total</b>	<b>\$10,904,947,885</b>	<b>\$27,103,982,929</b>	<b>\$15,161,519,148</b>	

For a more in-depth look at government finances and how they affect your taxes, visit [cookcountytreasurer.com](http://cookcountytreasurer.com)

**PAY YOUR TAXES ONLINE**

Pay at [cookcountytreasurer.com](http://cookcountytreasurer.com) from your bank account or credit card.

**TAX CALCULATOR**

<b>2019 TOTAL TAX</b>		<b>67,860.96</b>
<b>2020 ESTIMATE</b>	<b>X</b>	<b>55%</b>
<b>2020 1st INSTALLMENT</b>	<b>=</b>	<b>37,323.53</b>

The First Installment amount is 55% of last year's total taxes. All exemptions, such as homeowner and senior exemptions, will be reflected on your Second Installment tax bill.

**IMPORTANT MESSAGES**

**PROPERTY LOCATION**

3411 COMMERCIAL AVE  
NORTHBROOK IL 60062

**MAILING ADDRESS**

HRE SKY HARBOR LLC  
5 REVERE DR STE 206  
NORTHBROOK IL 600621568

\*\*\* Please see 2020 First Installment Payment Coupon next page \*\*\*



**TOTAL PAYMENT DUE**

**2019 Second Installment Property Tax Bill - Cook County Electronic Bill**

**\$0.00**

By 04/01/2021

Property Index Number (PIN) Volume Code Tax Year (Payable In) Township Classification  
 04-05-104-007-0000 131 25076 2019 (2020) NORTHFIELD 5-93

PAYMENT SCHEDULE 04/02/2021 - 05/01/2021 \$0.00 05/02/2021 - 06/01/2021 \$0.00 06/02/2021 - 07/01/2021 \$0.00

**TAXING DISTRICT BREAKDOWN**

Taxing Districts	2019 Tax	2019 Rate	2019 %	Pension	2018 Tax
<b>MISCELLANEOUS TAXES</b>					
Northwest Mosq Abatement Dist Wheeling	89.30	0.010	0.13%		98.06
Metro Water Reclamation Dist of Chicago	3,473.87	0.389	5.12%	384.00	3,530.19
Northbrook Park District	3,714.98	0.416	5.47%	267.90	4,065.07
<b>Miscellaneous Taxes Total</b>	<b>7,278.15</b>	<b>0.815</b>	<b>10.72%</b>		<b>7,693.32</b>
<b>SCHOOL TAXES</b>					
Oakton College Dist Skokie Des Plaines	1,973.59	0.221	2.91%		2,193.00
Glenbrook HS District 225 (Glenview)	17,914.08	2.006	26.40%	491.16	19,754.82
Northbrook School District 27	25,549.45	2.861	37.65%	759.07	28,562.47
<b>School Taxes Total</b>	<b>45,437.12</b>	<b>5.088</b>	<b>66.96%</b>		<b>50,510.29</b>
<b>MUNICIPALITY/TOWNSHIP TAXES</b>					
Northbrook Library Fund	2,804.10	0.314	4.13%	241.11	3,093.38
Village of Northbrook	6,822.71	0.764	10.05%	3,080.93	6,882.09
Road & Bridge Northfield	419.72	0.047	0.62%		463.56
General Assistance Northfield	62.51	0.007	0.09%		62.40
Town of Northfield	187.54	0.021	0.28%		213.95
<b>Municipality/Township Taxes Total</b>	<b>10,296.58</b>	<b>1.153</b>	<b>15.17%</b>		<b>10,715.38</b>
<b>COOK COUNTY TAXES</b>					
Cook County Forest Preserve District	526.88	0.059	0.78%	17.86	534.88
Consolidated Elections	267.91	0.030	0.39%		0.00
County of Cook	2,455.82	0.275	3.63%	901.95	2,843.78
Cook County Public Safety	1,196.65	0.134	1.76%		1,096.50
Cook County Health Facilities	401.86	0.045	0.59%		418.99
<b>Cook County Taxes Total</b>	<b>4,849.12</b>	<b>0.543</b>	<b>7.15%</b>		<b>4,894.15</b>
<b>(Do not pay these totals)</b>	<b>67,860.97</b>	<b>7.599</b>	<b>100.00%</b>		<b>73,813.14</b>

**TAX CALCULATOR**

2018 Assessed Value	306,250	2019 Total Tax Before Exemptions	67,860.97
		Homeowner's Exemption	.00
		Senior Citizen Exemption	.00
2019 Assessed Value	306,250	Senior Freeze Exemption	.00
2019 State Equalizer	X 2.9160		
2019 Equalized Assessed Value (EAV)	893,025	2019 Total Tax After Exemptions	67,860.97
2019 Local Tax Rate	X 7.599%	First Installment	40,597.23
2019 Total Tax Before Exemptions	67,860.97	Second Installment +	27,263.74
		Total 2019 Tax (Payable in 2020)	67,860.97

**IMPORTANT MESSAGES**

**PROPERTY LOCATION**

3411 COMMERCIAL AVE  
 NORTHBROOK IL 60062 1818

**MAILING ADDRESS**

HRE SKY HARBOR LLC  
 5 REVERE DR STE 206  
 NORTHBROOK IL 600621568

\*\*\* Please see 2019 Second Installment Payment Coupon next page \*\*\*



**TOTAL PAYMENT DUE**

**2018 Second Installment Property Tax Bill - Cook County Electronic Bill**

By 04/01/2021 **\$0.00**

Property Index Number (PIN) Volume Code Tax Year (Payable In) Township Classification  
 04-05-104-007-0000 131 25076 2018 (2019) NORTHFIELD 5-93

**IF PAYING LATE,  
PLEASE PAY**

**LATE INTEREST IS 1.5% PER  
MONTH, BY STATE LAW**

**TAXING DISTRICT BREAKDOWN**

Taxing Districts	2018 Tax	2018 Rate	2018 %	Pension	2017 Tax
<b>MISCELLANEOUS TAXES</b>					
Northwest Mosq Abatement Dist Wheeling	98.06	0.011	0.13%		90.73
Metro Water Reclamation Dist of Chicago	3,530.19	0.396	4.78%	401.15	3,647.45
Northbrook Park District	4,065.07	0.456	5.51%	347.67	3,801.70
<b>Miscellaneous Taxes Total</b>	<b>7,693.32</b>	<b>0.863</b>	<b>10.42%</b>		<b>7,539.88</b>
<b>SCHOOL TAXES</b>					
Oakton College Dist Skokie Des Plaines	2,193.00	0.246	2.97%		2,105.00
Glenbrook HS District 225 (Glenview)	19,754.82	2.216	26.76%	561.62	19,072.01
Northbrook School District 27	28,562.47	3.204	38.70%	829.06	27,501.08
<b>School Taxes Total</b>	<b>50,510.29</b>	<b>5.666</b>	<b>68.43%</b>		<b>48,678.09</b>
<b>MUNICIPALITY/TOWNSHIP TAXES</b>					
Northbrook Library Fund	3,093.38	0.347	4.19%	267.43	2,985.11
Village of Northbrook	6,882.09	0.772	9.32%	2,995.31	6,487.39
Road & Bridge Northfield	463.56	0.052	0.63%		444.59
General Assistance Northfield	62.40	0.007	0.08%		54.44
Town of Northfield	213.95	0.024	0.29%		208.69
<b>Municipality/Township Taxes Total</b>	<b>10,715.38</b>	<b>1.202</b>	<b>14.51%</b>		<b>10,180.22</b>
<b>COOK COUNTY TAXES</b>					
Cook County Forest Preserve District	534.88	0.060	0.72%	17.82	562.54
Consolidated Elections	0.00	0.000	0.00%		281.27
County of Cook	2,843.78	0.319	3.86%	971.69	2,966.96
Cook County Public Safety	1,096.50	0.123	1.49%		988.99
Cook County Health Facilities	418.99	0.047	0.57%		544.40
<b>Cook County Taxes Total</b>	<b>4,894.15</b>	<b>0.549</b>	<b>6.64%</b>		<b>5,344.16</b>
<i>(Do not pay these totals)</i>	<b>73,813.14</b>	<b>8.280</b>	<b>100.00%</b>		<b>71,742.35</b>

**TAX CALCULATOR**

2017 Assessed Value	306,250	2018 Total Tax Before Exemptions	73,813.14
		Homeowner's Exemption	.00
		Senior Citizen Exemption	.00
2018 Assessed Value	306,250	Senior Freeze Exemption	.00
2018 State Equalizer	X 2.9109		
2018 Equalized Assessed Value (EAV)		2018 Total Tax After Exemptions	73,813.14
	891,463		
2018 Local Tax Rate	X 8.280%	First Installment	39,458.29
2018 Total Tax Before Exemptions		Second Installment +	34,354.85
	73,813.14	Total 2018 Tax (Payable in 2019)	73,813.14

**IMPORTANT MESSAGES**

**PROPERTY LOCATION**

3411 COMMERCIAL AVE  
NORTHBROOK IL 60062 1818

**MAILING ADDRESS**

HRE SKY HARBOR LLC  
5 REVERE DR STE 206  
NORTHBROOK IL 600621568

\*\*\* Please see 2018 Second Installment Payment Coupon next page \*\*\*



FOR SALE OR LEASE  
3401-3411 COMMERCIAL AVE  
NORTHBROOK, IL

NEW RENOVATIONS

Asking Sale Price:

STO

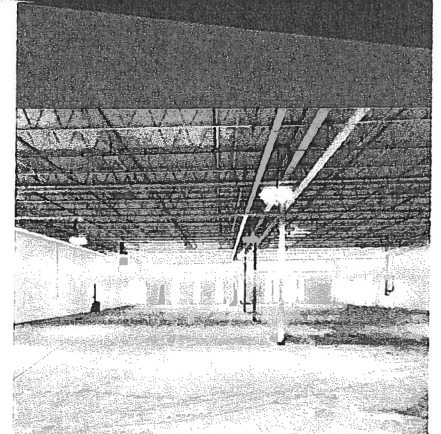
Asking Lease Rate:

\$5.50

SF NET

## 48,218 SF Building in Sky Harbor Available For Sale or Lease

- Located on the Corner of Commercial Ave and Huehl Rd in Sky Harbor Business Park
- 48,218 SF on 2.89 acres
- Divisible to 32,000 SF and 16,000 SF
- Office: To-Suit
- LARGE Parking Lot - 100 Car Spots, 16 Trailer Spots
- 16' Clear Ceiling Height
- 3 Exterior Docks, 1 Interior Dock 2 Drive-In Doors
- Year Built: 1973
- Outdoor Storage Potential
- 1600a and 600a Electrical Services
- Taxes: \$78,113 / \$1.62 PSF (2019)
- 6B Tax Incentive Potential
- **Building is in white boxed condition and move-in ready**



Colliers International  
6250 N. River Rd | Suite 11-100  
Rosemont, IL 60018  
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 **Hilco**  
Redevelopment Partners



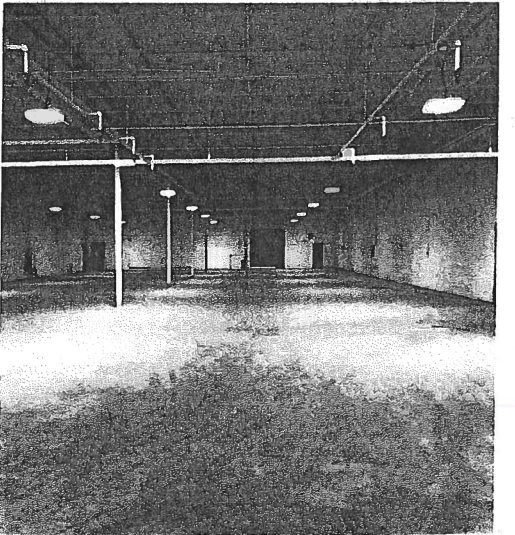
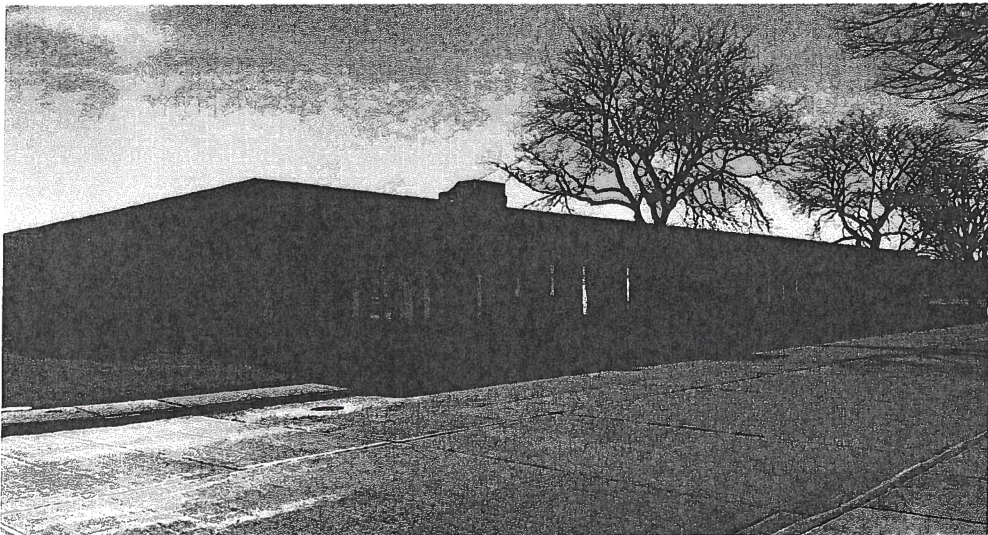
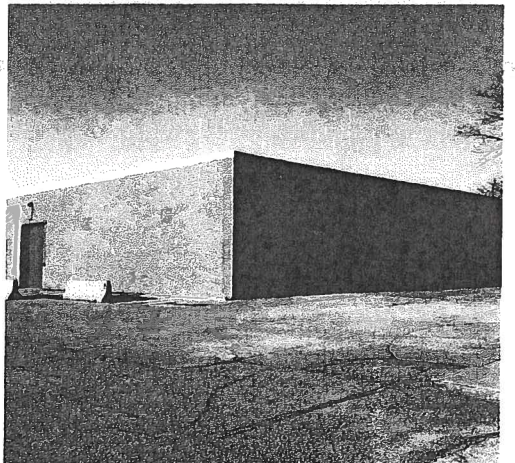
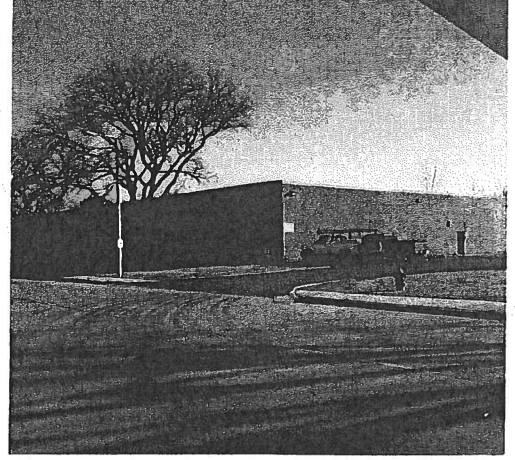
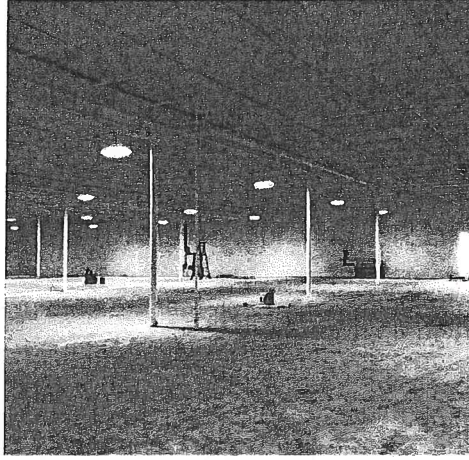
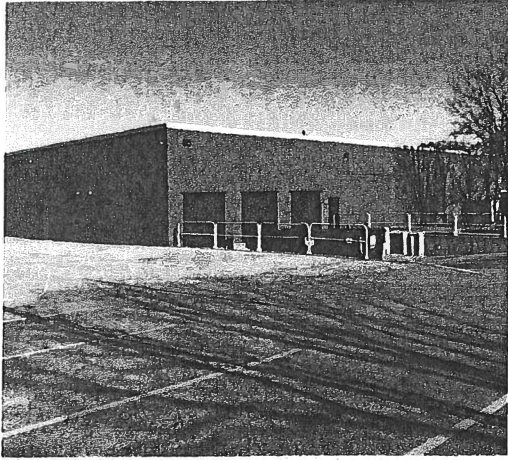
Accelerating success.



FOR SALE OR LEASE | 3401-3411 COMMERCIAL AVE, NORTHBROOK | IL



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Contact us:

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## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this “**Agreement**”) is entered into as of the 17<sup>th</sup> day of March, 2021 (the “**Effective Date**”) by and between **HRE SKY HARBOR, LLC**, a Delaware limited liability company (“**Seller**”), having an address c/o Hilco Redevelopment Partners, 111 South Wacker Drive, Suite 3000, Chicago, Illinois 60606, Attn: Anne Garr, and **NORTHBROOK DISTRIBUTION CENTER, LLC**, an Illinois limited liability company (“**Buyer**”).

### RECITALS

WHEREAS, Seller desires to sell to Buyer certain real property commonly known and numbered as 3401-3411 Commercial Avenue, Northbrook, Illinois 60062, along with certain related personal and intangible property, as more particularly set forth herein; and

WHEREAS, Buyer desires to purchase from Seller such real, personal and intangible property in accordance with the terms and conditions hereinafter set forth.

### ARTICLE 1

#### Purchase and Sale Agreement

1.1 **Agreement to Purchase and Sell.** In consideration of the mutual undertakings and covenants of the parties set forth in this Agreement, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Seller agrees to sell the Property (as defined below in Section 2.1) to Buyer and Buyer agrees to buy the Property from Seller on and subject to the terms and conditions contained in this Agreement.

### ARTICLE 2

#### The Property

2.1 **Description of the Property.** The “**Property**” consists of the following:

(a) **Land.** Seller’s interest in and to that certain tract of land situated in Northbrook, Illinois, as described more particularly in Exhibit A attached hereto and incorporated herein by reference, together with all of Seller’s right, title and interest in and to the rights, privileges and easements appurtenant to such land (collectively, the “**Land**”).

(b) **Improvements.** The building together with all other improvements and structures now situated on the Land (as defined in Section 8.1 below) (collectively, the “**Improvements**”; collectively, the Land and the Improvements shall be referred to herein as the “**Real Property**”).

(c) **Personal Property.** All of Seller’s right, title and interest in and to the following: (i) mechanical systems, fixtures and equipment comprising a part of or attached to or located upon the Improvements; and (ii) maintenance supplies, equipment, tools, machinery, artwork, furnishings and other personal property, if any, but only to the extent owned by Seller and used exclusively in connection with, and located in or on, the Improvements (collectively, the “**Personal Property**”):

(d) **Intangible Property.** To the extent assignable without the consent of third parties and without cost to Seller, the Roof Warranty (hereafter defined) and all licenses, permits, development rights, approvals, guarantees, trademarks, trade names and other intangible property (collectively, the “**Intangible Property**”), if any, owned by Seller and relating solely to the Land, the Improvements or the Personal Property.

### ARTICLE 3

#### **Purchase Price; Deposit; Adjustments**

3.1 **Purchase Price.** The purchase price (the “**Purchase Price**”) for the Property is Two Million Four Hundred Fifty Thousand and 00/100 Dollars (\$2,450,000.00), subject to adjustment as set forth in this Agreement. The Purchase Price will be payable by wire transfer of immediately available federal funds at the Closing.

(a) **Deposit.** Within two (2) Business Days after the Effective Date, Buyer will deposit with Chicago Title Insurance Company ~ National Commercial Services having an address of 10 South LaSalle St., Suite 3100, Chicago, IL 60603, attention: Krystina Cozzie (“**Escrow Agent**”) the sum of Fifty Thousand and 00/100 Dollars (\$50,000.00) (the “**Deposit**”) to secure Buyer’s obligations under this Agreement.

(b) **Escrow Agreement.** The treatment and disposition of the Deposit shall be as set forth in this Agreement. Buyer’s failure to deliver the Deposit in a timely manner or to make any other payments required to be made pursuant to this Article 3 shall be deemed a default under this Agreement entitling Seller to exercise its remedies for a Buyer Default (as defined in Section 11.2 below) as set forth in this Agreement. Buyer, Seller and Escrow Agent shall execute a separate joint order escrow agreement (the “**Escrow Agreement**”) whereby Escrow Agent will agree to maintain and disburse the Deposit consistent with the terms and conditions of this Agreement. If Closing occurs in accordance with this Agreement, the Deposit (and all interest earned thereon) may, at Buyer’s election, be either applied against the Purchase Price (as hereinafter provided) or provided Buyer first delivers the Purchase Price in full to the Escrow Agent, refunded to Buyer. If this Agreement is terminated, or if either party fails to perform any of its agreements hereunder, the disposition of the Deposit shall be governed by the terms of this Section 3.1(b) and by the Escrow Agreement. If any dispute arising under this Agreement or the Escrow Agreement with respect to the disposition of the Deposit or the entitlement of any party to the Deposit or the obligations of Escrow Agent with respect thereto, Escrow Agent shall not be required to determine the resolution of any such dispute and shall not be obligated to make any delivery of the Deposit; but in such event, Escrow Agent shall hold the Deposit until receipt by Escrow Agent of an authorization in writing signed by Buyer and Seller directing the disposition of same, or in the absence of such authorization, Escrow Agent shall hold the Deposit until the final determination of the rights of Buyer and Seller in an appropriate proceeding. If such written authorization is not given, or if proceedings for such determination are not promptly commenced and diligently continued to a resolution, Escrow Agent may bring an appropriate action or proceeding for leave to deposit said monies in a court of competent jurisdiction in the State of Illinois pending such determination and to submit such resolution of such dispute to such court by action of interpleader. Buyer and Seller hereby consent to the jurisdiction of such court in connection with any such dispute. Escrow Agent shall not be responsible hereunder for any acts or omissions unless willfully done or done in a grossly negligent manner, and upon delivery of the Deposit in accordance with the terms of this Agreement, Escrow Agent shall have no further liability to the parties hereunder or in connection

herewith. The Escrow Agreement shall provide that Seller and Buyer shall jointly and severally indemnify and hold Escrow Agent harmless from and against any and all loss, costs or damages arising under this Agreement or in connection herewith (except such loss, costs or damages as shall result from the gross negligence or misconduct of Escrow Agent). Escrow Agent shall be entitled to reasonable compensation (not to exceed \$1,000 in the aggregate) for its services pursuant to the Escrow Agreement, and Buyer and Seller each agree to pay one-half of such compensation to Escrow Agent. Buyer and Seller reserve the right, at any time and from time to time, to substitute a new escrow agent in place of Escrow Agent.

3.2 **Prorations of Taxes.** Seller shall remain responsible for and shall pay all *ad valorem* real estate taxes and assessments with respect to the Land and the Improvements (“**Taxes**”) attributable to the fiscal years prior to the year in which the Closing occurs. Taxes for the year in which Closing occurs (the “Closing Year”) shall be prorated and adjusted as of the Closing Date at the Closing. All such proratable Taxes shall be prorated on a cash basis, based on one hundred five percent (105%) of either (a) the final total 2020 real estate tax bill, if available at the time of Closing, or if such final 2020 tax bill is not available, then (b) the 2021 (or most recently available) assessed valuation, tax rate and county multiplier (as applicable, the “**Proration Base**”). At Closing, upon determination of the Proration Base in accordance with the preceding sentence, Seller shall provide Buyer a credit for Taxes applicable to the Closing Year equal to the Proration Base multiplied by the percentage of the Closing Year that Seller owned the Land and Improvements during such Closing Year, less any amounts previously paid by Seller for Taxes applicable to such Closing Year for which a tax bill has been issued (provided that payment of such tax bill was due and paid by Seller prior to the Closing Date). The Proration of real estate taxes for the Closing Year when made at Closing in conformance with the terms of this Section 3.2 shall be final. All special assessments which may be amortized over a number of years will be prorated as of the Closing Date, with Seller responsible only for the period ending on the day prior to the Closing Date. Buyer acknowledges that any real estate tax refunds for tax years prior to the Closing Year shall belong to solely to Seller and if Buyer’s signature or other cooperation is required to facilitate such refund to Seller, Buyer covenants and agrees to reasonably cooperate with Seller accordingly.

3.3 **Closing Costs.** At the Closing, (a) Seller shall pay and be responsible for (i) the recording charges for any instrument which releases or discharges any lien as required by Article 6 hereto, (ii) one-half of the fees of the Escrow Agent, (iii) Seller’s counsel’s fees and expenses, (iv) Seller’s share of prorated items pursuant to this Article 3, (v) the commission due and payable to the Brokers (as defined in Section 10.1 below and to the extent provided therein), (vi) any costs associated with the procurement of the title policy as contemplated herein together with an extended coverage endorsement to the Buyer’s title policy, and (vii) all state and county documentary transfer taxes; and (b) Buyer shall pay and be responsible for (i) all recording charges other than as are the expressly responsibility of Seller pursuant to the terms of this Section, (ii) all costs of Buyer’s due diligence studies and investigations including the cost of the Survey, (iii) one-half of the fees of the Escrow Agent, (iv) Buyer’s counsel’s fees and expenses, (v) any costs associated with the procurement of any endorsements to the Buyer’s title policy other than extended coverage, (vi) the Village of Northbrook transfer tax, and (viii) Buyer’s share of prorated items pursuant to this Article 3. Seller and Buyer shall each pay all other expenses, charges or costs for which sellers and buyers, respectively, are customarily responsible

in commercial real estate transactions in State of Illinois and in the area in which the Real Property is located.

**ARTICLE 4**  
**Representations, Warranties, Covenants and Agreements**

4.1 ***Seller's Representations and Warranties.*** Seller makes only the representations and warranties to Buyer which are set forth below, provided that Buyer acknowledges and agrees that each of such representations and warranties is and may be expressly qualified by any information set forth in this Agreement or any files, documents, materials, analyses, studies, tests or reports disclosed or made available to Buyer prior to the Due Diligence Expiration Date and may be modified or updated in accordance with the terms of this Agreement. Buyer acknowledges (a) that Buyer has entered into this Agreement with the intention of making and relying upon its own investigation of the physical, environmental, economic and legal condition of the Property, and (b) that, other than as specifically set forth below in this Section 4.1, Seller is not making and has not at any time made any representation or warranty of any kind or nature, either oral or written, directly or indirectly, expressed, implied, statutory or otherwise, with respect to the Property, including, without limitation, representations or warranties as to habitability, merchantability, fitness for a particular purpose, title, zoning, tax consequences, latent or patent physical or environmental condition, health or safety matters, utilities, operating history or projections, valuation, projections, the applicability of any laws, rules or regulations or compliance therewith. Without in any way limiting the foregoing, except as expressly set forth in this Section 4.1, Seller makes no representation or warranties as to any previous or present generation, storage, disposal or existence of any oil, petroleum products, or other hazardous materials, as defined under applicable Environmental Laws (collectively, "**Hazardous Materials**") in, on, under or about the Property. Buyer specifically waives any private right of action provided under applicable Environmental Laws to recover or be reimbursed for any liabilities, costs, fees or expenses from Seller. As used herein, the term "**Environmental Law**" means any law, statute, ordinance, rule, regulation, order or determination of any governmental authority or agency affecting the Property and pertaining to health or the environment including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1982 ("**CERCLA**"), the Resource Conservation and Recovery Act of 1986 ("**RCRA**"), and any and all laws, ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, and decrees of the United States, the State of Illinois or any other political subdivisions in which the Property is located, and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the Property, the Property or the use of the Property, relating to pollution, or the emission, discharge, release or threatened release of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste or Hazardous Materials into, or the presence thereof in, the environment (including, without limitation, ambient air, surface water, ground water or land or soil), as any or all of the same may be amended from time to time. Based upon Buyer's familiarity with the Property, Buyer's due diligence relating to the Property and Buyer's experience and knowledge as to the market in which the Property is situated and as to investment in and operation of real estate in the nature of the Property and commercial real estate in general, Buyer shall purchase the Property on the Closing Date in its "**AS IS, WHERE IS AND WITH ALL FAULTS**" condition, without any representation or warranty whatsoever, as aforesaid, except as set forth in this Section 4.1, and subject to Buyer's rights in the event of a

breach by Seller of any representation or warranty expressly set forth in this Section 4.1 below, and Buyer fully assumes the risk that adverse latent or patent physical, structural, environmental, economic or legal conditions may not have been revealed by Buyer's investigations. Seller and Buyer acknowledge that the Purchase Price to be paid to Seller for the Property has taken into account that the Property is being sold subject to the foregoing provisions of this Section 4.1. THE CLOSING OF THE PURCHASE OF THE PROPERTY BY BUYER HEREUNDER SHALL BE CONCLUSIVE EVIDENCE THAT: (A) BUYER HAS FULLY AND COMPLETELY INSPECTED (OR HAS CAUSED TO BE FULLY AND COMPLETELY INSPECTED) THE PROPERTY; (B) BUYER ACCEPTS THE PROPERTY AS BEING IN GOOD AND SATISFACTORY CONDITION AND SUITABLE FOR BUYER'S PURPOSES; AND (C) THE PROPERTY FULLY COMPLIES WITH SELLER'S COVENANTS AND OBLIGATIONS HEREUNDER, EXCEPT FOR ANY BREACH OF REPRESENTATIONS AND WARRANTIES EXPRESSLY PROVIDED IN THIS SECTION 4.1.

Buyer for itself and on behalf of each of its successors and assigns (collectively, the "Releasors") by this general release of known and unknown claims (this "Release") hereby irrevocably and unconditionally releases and forever discharges Seller, its affiliates, and the direct and indirect managers, members, partners, directors, officers, shareholders, owners, employees, and agents of each (collectively, the "Releasees"), and each of them, which and who shall constitute intended third party beneficiaries hereof, from and against any and all claims of any kind or nature whatsoever, **WHETHER KNOWN OR UNKNOWN**, suspected or unsuspected, fixed or contingent, liquidated or unliquidated which any of the Releasors now have, own, hold or claim to have had, owned or held, against any of the Releasees arising from, based upon or related to, whether directly or indirectly, any facts, matters, circumstances, conditions or defects (whether patent or latent) of all or any kinds, related to, arising from, or based upon, whether directly or indirectly, the Property, including without limitation (i) the physical condition, quality and state of repair of the Property conveyed, (ii) any latent or patent defect affecting the Property conveyed, (iii) the presence of Hazardous Materials in, on, about or under the Land or which have migrated from adjacent lands to the Land or from the Land to adjacent lands; and (iv) any claims arising out of alleged construction defects. The foregoing Release shall be effective as of the Closing, and shall survive Closing. Notwithstanding the release set forth above in this Section 4.1, but subject to the limitations of liability set forth in this Section 4.1, such release shall not apply to any of the following: (a) the breach by Seller of any of the representations and warranties of Seller set forth in Section 4.1, (b) claims that Buyer may have against Seller arising out of Seller's fraud or (c) Seller's indemnity obligations set forth in this Agreement which expressly survive the Closing.

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Buyer's Initials

Subject to the foregoing, Seller hereby represents and warrants to Buyer as of the Effective Date as follows:

(a) **Organization and Authority.** This Agreement has been duly authorized, executed and delivered by Seller and all consents required under Seller's organizational documents or by law have been obtained. All documents that are to be executed by Seller and delivered to Buyer on the Closing Date have been, or on the Closing Date will be, duly executed,

authorized and delivered by Seller. This Agreement and all such documents are, and on the Closing Date will be, legal, valid and binding obligations of Seller, enforceable in accordance with their terms and do not, and, at the time of the Closing Date will not, violate any provisions of any agreement or judicial or administrative order to which Seller is a party or to which Seller or the Property (or any portion thereof) is subject. Seller is duly formed, validly existing and in good standing under the laws of the jurisdiction of its organization.

(b) **Bankruptcy.** No voluntary bankruptcy, insolvency, reorganization or similar action or proceeding is pending against Seller and, to Seller's knowledge, no involuntary bankruptcy, insolvency, reorganization or similar action or proceeding is pending or threatened, against Seller.

(c) **Leases and Service Agreements.** There are no leases, licenses or other access or occupancy agreements with tenants or licensees in effect or agreed to by Seller which will affect the Property or any part thereof after the Closing Date. There are no service contracts or service agreements which will affect the Property or any part thereof after the Closing Date. Any property management agreement relating to the Property shall be terminated by Seller on or prior to the Closing Date.

(d) **Non-Foreign Person.** Seller is not a "foreign person," "foreign trust" or "foreign corporation" within the meaning of the United States Foreign Investment in Real Property Tax Act of 1980 and the Internal Revenue Code of 1986, as subsequently amended.

(e) **OFAC.** Neither Seller nor, to Seller's knowledge, any of its equity owners or any of its or their respective employees, officers or directors, is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control of the Department of the Treasury ("OFAC") (including those named on OFAC's Specially Designated and Blocked Persons List) or under any similar statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other similar governmental action.

(f) **Options/Rights to Purchase.** Seller has not granted or conveyed to any party other than Buyer an option or similar right to purchase or otherwise acquire any fee ownership, leasehold or possessory interest in the Property.

The representations and warranties of Seller set forth in this Section 4.1, as updated as of the Closing in accordance with the terms of this Agreement, shall survive Closing for a period of six (6) months. Seller shall have no liability to Buyer for a breach of any representation or warranty unless written notice containing a description of the specific nature of such breach shall have been given by Buyer to Seller prior to the expiration of said six (6) month period, nor shall Seller have any liability (a) unless the amount of such claim or claims, individually or in the aggregate, exceeds Twenty Five Thousand and 00/100 Dollars (\$25,000.00) (at which time Buyer shall be entitled to seek redress to the "first dollar" related thereto (i.e., said claim shall not be limited to the excess over \$25,000.00), or (b) in excess of One Hundred Thousand and 00/100 Dollars (\$100,000.00) with respect to any such claims. In the event that Buyer discovers prior to the Due Diligence Expiration Date that a representation or warranty of Seller under this Section 4.1 is untrue or becomes



untrue, and Buyer does not elect to terminate this Agreement prior to the Due Diligence Expiration Date, such representation or warranty shall not be a condition to Closing. Anything contained herein to the contrary notwithstanding, to the extent any inaccuracy in a representation and warranty of Seller in this Agreement or any documents or instruments delivered by Seller at the Closing is revealed in any of the Due Diligence Materials or other documents or information provided or made available to Buyer or otherwise obtained by Buyer and Buyer nevertheless consummates the Closing and the transactions contemplated by this Agreement, then such representation and warranty shall be deemed modified to reflect such inaccuracy. The reference to "Seller's knowledge" as used in this Section 4.1 shall be deemed to mean the actual knowledge of John Tschantz (the "**Designated Individual**"), without any obligation for such person to make any independent investigation of the matters being represented or warranted, to make any inquiry of any other persons, or to search or examine any files, records, books or correspondence. Seller represents and warrants that Designated Individual is the individual on Seller's team with the most comprehensive knowledge of the subject matter relating to Seller's representations and warranties. Notwithstanding anything to the contrary contained herein, the designation of the Designated Individual shall in no event expose the Designated Individual to personal liability hereunder on account of a breach by Seller of any representation or warranty contained herein, all such liability residing only with Seller.

4.2 **Seller's Covenants.** Seller hereby covenants and agrees with Buyer that, from and after the Effective Date to the Closing Date, Seller shall not take any of the following actions without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed: (i) make or permit to be made any material alterations to or upon the Property; (ii) enter into any contracts for the provision of services and/or supplies to the Property that would be binding on Buyer or the Property after Closing; (iii) enter into any leases licenses with respect to the Property or any part thereof with respect to the Property which shall remain in effect after the Closing Date; (iv) create any Voluntary Lien (as defined in Section 6.3 below) relating to the Property which shall remain in effect after the Closing; or (v) enter into any covenant, condition, restriction, or easement relating to the Property which shall remain in effect after the Closing Date. Notwithstanding anything to the contrary contained in this Agreement, Seller shall have no obligation to Buyer to bring the Property into compliance with any laws or regulations applicable to the Property, make any repairs or improvements to any portion of the Property, or make or perform, during the term of this Agreement, any capital repairs or replacements. In addition, with respect to the covenant of Seller contained in Section 4.2(iii) above, Seller retains the right to enter into license or permits in favor of third parties to temporarily use or occupy the Property, or portions hereof, for periods of time expiring prior to the Closing Date.

4.3 **Buyer's Representations and Warranties.** Buyer hereby represents and warrants to Seller as of the date of this Agreement as follows:

(a) **Organization and Authority.** This Agreement has been duly authorized, executed and delivered by Buyer and all consents required under Buyer's organizational documents or by law have been obtained. All documents that are to be executed by Buyer and delivered to Buyer on the Closing Date have been, or on the Closing Date will be, duly executed, authorized and delivered by Buyer. This Agreement and all such documents are, and on the Closing Date will be, legal, valid and binding obligations of Buyer, enforceable in accordance

with their terms and do not, and, at the time of the Closing Date will not, violate any provisions of any agreement or judicial or administrative order to which Buyer is a party or to which Buyer or the Property (or any portion thereof) is subject. Buyer is duly formed, validly existing and in good standing under the laws of the jurisdiction of its organization.

(b) **Pending Actions.** There are no existing legal actions, suits or similar proceedings pending against Buyer, or to the best of Buyer's knowledge, threatened against Buyer, which if adversely determined, would materially and adversely affect Buyer's ability to consummate the transactions contemplated by this Agreement.

(c) **OFAC.** Neither Buyer nor, to Buyer's knowledge any of its equity owners or any of its or their respective employees, officers or directors, is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of OFAC (including those named on OFAC's Specially Designated and Blocked Persons List) or under any similar statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other similar governmental action.

(d) **Anti-Money Laundering Laws.** Buyer has taken, and shall continue to take until the Closing, such measures as are required by applicable law to assure that the funds used to pay to Seller the Purchase Price are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated.

(e) **Bankruptcy.** No bankruptcy, insolvency, reorganization or similar action or proceeding, whether voluntary or involuntary, is pending, or, to Buyer's knowledge, threatened, against Buyer.

## ARTICLE 5

### **Access, Inspection, Due Diligence, Approvals**

#### 5.1 **Due Diligence, Access and Inspections.**

(a) **Due Diligence Period.** Subject to Section 6.2 below concerning Title Objections, Buyer shall have until 5:00 p.m. Central Time on the date that is thirty (30) days following the Effective Date (the "**Due Diligence Expiration Date**") within which to inspect the Property and investigate Buyer's intended use thereof (the "**Due Diligence Period**"). Buyer may conduct, prior to the Due Diligence Expiration Date, such due diligence assessments and non-invasive inspections of the Property, including but not limited to, a Phase I assessment of the environmental conditions thereof, as Buyer deems necessary or desirable to satisfy itself as to the condition of the Property and Buyer's ability to utilize the Property for Buyer's intended use (the "**Due Diligence Activities**"). All Due Diligence Activities undertaken by Buyer will be at Buyer's sole cost and expense and will be performed in accordance with the terms of this Agreement.

(b) **Access.** Buyer shall have the right, subject to the requirements of this Section 5.1(b), to enter the Property prior to the Due Diligence Expiration Date in order to perform the Due Diligence Activities, provided Buyer shall: (i) in all events give at least forty-eight (48) hours' telephonic advance notice to Seller so that Seller may, at its option, have a representative designated by Seller present during each visit to the Property; (ii) not contact or otherwise communicate with any person using or occupying the Property (except for Seller's property manager); and (iii) not unreasonably interfere with the use or operation of the Property. Notwithstanding the foregoing and as part of the Due Diligence Activities, Buyer may commission a Phase I environmental assessment of the Property but no invasive, intrusive or destructive testing, including soil investigations or other forms of environmental or physical studies shall be performed without the prior written approval of Seller, which such approval may be granted or withheld by Seller in its sole discretion. While on the Property, Buyer will comply and will cause any of its representatives, consultants, agents or employees to comply with all applicable governmental laws and regulations. Buyer shall restore any damage to the Property or any adjacent property caused by such actions to the same condition as existed prior to Buyer's action and shall indemnify, defend and save Seller and, as the case may be, its direct and indirect partners, trustees, shareholders, directors, members, managers, officers, employees and agents harmless of and from any and all claims and/or liabilities which Seller or its direct and indirect partners, trustees, shareholders, directors, members, managers, officers, employees or agents may suffer or be subject by reason of or in any manner relating to the Due Diligence Activities and other activities (collectively, the "**Surviving Obligations**"). Buyer specifically acknowledges and agrees not to utilize any such access for, or to otherwise engage in, any marketing of all or any part of the Property prior to the Closing. In the event Buyer discovers a preexisting condition at the Property, Buyer hereby covenants that it shall not disclose such condition to any person or governmental authority unless required by applicable law. Prior to Buyer's entry on the Property, Buyer shall furnish (or caused to be furnished) to Seller a certificate naming Seller (as well as HRE Sky Harbor Investments, LLC, Associated Bank, National Association, Hilco Redevelopment Partners and Hilco Real Estate, LLC) as additional insureds on Buyer's or its agent's commercial general liability insurance policy in an amount of at least One Million Dollars per occurrence and with policy limits of not less than Two Million Dollars. The covenants and agreements contained herein, including but not limited to the Surviving Obligations, shall survive the termination of this Agreement.

(c) **Reports.** Any and all inspection reports obtained by Buyer with respect to the Property in connection with the Due Diligence Activities ("**Reports**") will be and remain the sole property of Buyer, and Buyer shall have no obligation of any kind to share the results of such Reports with Seller or any other party (unless such findings are the basis for any objection by Buyer, including, but not limited to Title Objections (as defined in Section 6.2 below), in which case, Buyer shall provide such Report to Seller detailing the objection). Buyer agrees to keep confidential and not to disclose the results or the contents of any Reports unless required to so by applicable law or court order.

(d) **Due Diligence Materials.** Within five (5) days following the later of (a) the Effective Date and (b) the date that Buyer deposits the Deposit with the Escrow Agent, Seller shall provide or make available to Buyer, all materials, data and other information in the possession or control of Seller which relate to the Property, a schedule of which is listed on Schedule 5.1(d) attached hereto (the "**Due Diligence Materials**"). In no event shall Seller be

required to prepare or obtain any information, report, document, survey, study, report or other item for Buyer. Buyer acknowledges and agrees that Seller makes no representation or warranty as to the accuracy or completeness of the Due Diligence Materials or any other materials delivered by Seller.

(e) **Termination Right and Deposit.** If prior to the Due Diligence Expiration Date, Buyer notifies Seller in writing that it elects not to proceed with the transaction described herein (which election may be made in Buyer's sole discretion and for any reason or no reason), the Escrow Agent shall return the Deposit to Buyer in accordance with the terms of this Agreement, and this Agreement shall be null and void without recourse to either party hereto and, except as expressly set forth herein, including without limitation the Surviving Obligations, neither party shall have any further liability or obligation to the other hereunder. If Buyer does not timely notify Seller that it elects not to proceed with the transaction pursuant to this Section 5.1(e), then (i) Buyer shall be deemed to have waived its right to terminate this Agreement in accordance with such section and shall proceed to consummate its acquisition of the Property by the Closing date in accordance with the terms of this Agreement, and (ii) the Deposit shall immediately become non-refundable to Buyer from after the Due Diligence Expiration Date, but shall remain applicable to the Purchase Price.

(f) **Additional Deposit.** Provided that Buyer shall not have exercised its right under Section 5.1(e) to terminate this Agreement prior to the Due Diligence Expiration Date, Buyer shall, as a condition of Buyer's right to pursue the Approval (as defined in Section 5.2 (a)) during the Approval Period (as defined in Section 5.2 (a)), deposit with Escrow Agent the sum of Fifty Thousand and 00/100ths Dollars (\$50,000.00) which such sum, upon its deposit by Buyer, shall supplement and thereafter constitute a part of the Deposit (the "**Additional Deposit**"). The Additional Deposit shall be non-refundable to Buyer once deposited with the Escrow Agent except to the extent described in Section 5.2(b). **Approval, Approval Period**

## 5.2 **Approval, Approval Period**

(a) **Approval Period.** Buyer shall have until 5:00 p.m. Central Time on the date (the "**Approval Period Expiration Date**") that is the earlier to occur of (i) sixty (60) days following the Effective Date, or (ii) the date upon which Buyer receives the Approval (as hereafter defined in this Section 5.2(a) below) within which to obtain from the Village of Northbrook, Illinois (the "**Village**") a resolution approving Buyer's application (the "**Approval Application**") for incentives related to Buyer's intended use of the Property under the Cook County, Illinois Class 6B incentive program (the "**Approval**"). During such period (the "**Approval Period**"), Buyer shall have filed and shall diligently prosecute the Approval Application and shall use commercially reasonable and diligent efforts to obtain the Approval. Upon receipt of Seller's written request therefor, Buyer shall provide Seller with written updates reasonably informing Seller as to the status of the Approval Application and the issuance of the Approval. Seller agrees to cooperate reasonably with Buyer and any applicable government entity when reasonably necessary throughout the Approval Application process to ensure that Buyer is not delayed in securing the said approval. During the Approval Period, Buyer may not apply for, pursue or obtain from the Village, or any governmental entity having jurisdiction over the Property, any entitlement, permit or approval, including any change to the Property's existing zoning classification or land use entitlement, which alters the Property's legal status or character.

(b) **Termination Right.** In the event that (i) Buyer fails to file the Approval Application as and when required hereunder, or (ii) Buyer withdraws the Approval Application prior to the Approval Period Expiration Date, then, in either event, this Agreement shall automatically terminate whereupon the balance of the Deposit shall become non-refundable to Buyer, this Agreement shall automatically terminate, and the parties shall be released from further liability hereunder except for the Surviving Obligations. In the event that (y) Buyer files the Approval Application as and when required hereunder, and (z) the Village denies Buyer's request for a resolution approving the Approval Application, then, in such event, Buyer may notify Seller in writing of its election to terminate this Agreement, whereupon this Agreement shall automatically terminate, the full amount of the Deposit (i.e. all sums deposited with the Escrow Agent pursuant to Sections 3.1(a) and Section 5.1(f) hereof) shall be refunded to Buyer and the parties shall be released from further liability hereunder except for the Surviving Obligations. If Buyer does not timely notify Seller pursuant to this Section 5.2(c) that it elects not to proceed with the transaction described herein in accordance with the preceding sentence, then (i) Buyer shall be deemed to have waived such election and shall proceed to consummate its acquisition of the Property by the Closing Date in accordance with the terms of this Agreement, and (ii) the balance of the Deposit shall immediately become non-refundable to Buyer from after the Approval Period Expiration Date but shall remain applicable to the Purchase Price.

## **ARTICLE 6**

### **Title and Survey**

6.1 **Title and Survey Review.** Within two (2) Business Days following the Effective Date, Seller will instruct Chicago Title Insurance Company (the "**Title Company**") to issue on behalf of and deliver to Buyer a current title insurance commitment (the "**Title Commitment**") and shall provide to Buyer a copy of the most recent ALTA survey of the Real Property in Seller's possession ("**Seller's Survey**"). Buyer may, at its discretion and at Buyer's sole cost expense, procure a current survey of the Property, or an update to the Seller Survey (in either case, the "**Survey**"), provided that Buyer procure the Survey prior to the Due Diligence Expiration Date. The Survey together with the Title Commitment, are collectively referred to as the "**Title Evidence**" hereunder. Buyer will, prior to the Due Diligence Expiration Date review the Due Diligence Materials relating to title and survey matters and the Title Evidence.

6.2 **Title Objection.** On or before 5:00 p.m. Central Time on the date which is seven (7) Business Days after Buyer's receipt of the Title Evidence, Buyer will notify Seller of any written objections ("**Title Objections**") to any matter included on the Title Evidence, which such Title Objections shall specify the reason such matters(s) are not satisfactory to Buyer in its sole discretion; provided, however, that Buyer shall have no right to object to any of the matters set forth within subsections (a) through (f) of the definition of Permitted Encumbrances below. Buyer's failure to notify Seller of any Title Objections with respect to any particular matter evidenced by the Title Evidence within such time period will constitute a waiver of Title Objections with respect to a particular matter. As used herein, the term "**Permitted Encumbrance**" shall mean (a) the standard printed exclusions from coverage contained in the ALTA form owner's title policy; (b) all matters, whether or not of record, that arise out of the actions of Buyer or its agents, representatives or contractors; (c) Taxes not yet due and payable; (d) local, state and federal laws, ordinances, rules and regulations, including, but not limited to,

zoning ordinances; (e) all matters that the Title Company is willing to insure over (in form and substance satisfactory to Buyer, as determined in Buyer's reasonable discretion, and Buyer's lender) without additional premium, liability or indemnity from Buyer and that, in the exercise of Buyer's reasonable business judgment, do not have a material adverse impact on the ownership, operation or value of the Property; and (f) all other matters expressly disclosed by the Title Evidence, except for those matters as to which, in accordance with this Section 6.2, Buyer makes a written objection on or before the Title Objections deadline set forth in this Section 6.2.

6.3 ***Seller's Cure of Title Objections.*** Seller shall, by 5:00 p.m. Central Time on or before the date that is five (5) days following receipt of the Title Objections, notify Buyer whether or not it elects to attempt to cure any Title Objections raised by Buyer; provided however, it is understood and agreed to by Buyer that Seller shall have no obligation to cure any Title Objection or expend any money to cure such Title Objection. In the event Seller fails to timely respond to Buyer's Title Objections, Seller shall be deemed to have elected not to attempt to cure such Title Objections. If Seller elects, or is deemed to have elected, not to attempt to cure any title objections raised by Buyer, then Buyer shall, on or before the Due Diligence Expiration Date elect to either (a) terminate this Agreement and receive a refund of the Deposit (i.e. all sums deposited with the Escrow Agent pursuant to Sections 3.1(a) and Section 5.1(f) hereof) in accordance with this Agreement and in such event, except as expressly set forth herein neither party shall have any further liability or obligation to the other hereunder except as provided herein including the Surviving Obligations, or (b) proceed to close without any reduction in the Purchase Price and in such event any such Title Objections shall be deemed Permitted Encumbrances. In the event Buyer fails to timely respond to Seller's notice, Buyer shall be deemed to have elected clause (b). Notwithstanding the foregoing, with respect to Voluntary Liens (as hereinafter defined), Seller must remove or cure the same by payment of funds from Closing. Seller shall remove any encumbrances or exceptions to title which are voluntarily created by, through or under Seller after the date of the Due Diligence Expiration Date. If the Title Objections which Seller has agreed to cure are not cured prior to Closing, Buyer will have the option as its sole and exclusive remedies to (x) terminate this Agreement and receive a refund of the Deposit in accordance with this Agreement (and in such event, except as expressly set forth herein, including without limitation the Surviving Obligations, neither party shall have any further liability or obligation to the other hereunder), or (y) proceed to close without any reduction in the Purchase Price. If Buyer elects the latter, any uncured Title Objections shall be deemed Permitted Encumbrances. As used herein, the term "**Voluntary Lien**" shall mean the following: (a) the liens of any judgment, mortgage, trust deed or deed of trust evidencing an indebtedness owed by Seller; (b) tax liens for ad valorem real estate taxes due and payable as of the Closing Date; (c) mechanic's liens relating to any lienable work by Seller; (d) broker's liens pursuant to an agreement between any broker and Seller; and (e) property management liens.

6.4 ***Required State of Title.*** At the Closing, Seller shall convey by special warranty deed to Buyer (or to Buyer's permitted nominee) fee simple title to all of the Real Property free and clear of any and all liens and other encumbrances, except for the Permitted Encumbrances.

**ARTICLE 7**  
**Conditions to Seller's and Buyer's Performance**

7.1 **Conditions to Seller's Obligations.** The obligations of Seller to consummate the transaction contemplated by this Agreement are, in addition to the other terms and conditions of this Agreement, subject to the following (any one or more of which may be waived in whole or in part by Seller at its discretion):

(a) The representations and warranties made by Buyer in this Agreement being true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made as of the Closing Date (except as the same may be modified or updated in accordance with the terms of this Agreement), and Buyer shall deliver a certificate to such effect at Closing; and,

(b) Buyer having performed in all material respects all covenants and obligations required by this Agreement to be performed by Buyer on or prior to the Closing Date, including, without limitation, payment of the Purchase Price, as adjusted and prorated hereunder; and

7.2 **Conditions to Buyer's Obligations.** The obligations of Buyer to consummate the transaction contemplated by this Agreement are, in addition to the other terms and conditions of this Agreement, subject to the following (any one or more of which may be waived in whole or in part by Buyer at its discretion):

(a) The representations and warranties made by Seller in this Agreement being true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made as of the Closing Date (except as the same may be modified or updated in accordance with the terms of this Agreement), and Seller shall deliver a certificate to such effect at Closing; and

(b) Seller having performed in all material respects all covenants and obligations in all material respects required by this Agreement to be performed by Seller on or prior to the Closing Date.

**ARTICLE 8**  
**Closing**

8.1 **Escrow Closing.** Provided all conditions to closing contained in this Agreement have been satisfied (or deemed satisfied) or waived in writing, the transaction contemplated by this Agreement shall close (the "**Closing**"), through an escrow with the Escrow Agent on the date that is ten (10) days following the earlier to occur of (i) the date that Buyer receives the Approval, or (ii) the Approvals Period Expiration Date (the earlier of such dates be the "**Closing Date**").

8.2 **Seller's Closing Deliveries.** At Closing, Seller shall deliver or cause to be executed and delivered to the Escrow Agent each of the following items:

(a) Special Warranty Deed in the form of Exhibit B attached hereto (the "**Deed**");

- (b) Bill of Sale in the form of Exhibit C attached hereto;
- (c) Certificate of Non-Foreign Status in the form of Exhibit D attached hereto;
- (d) Settlement statement showing all of the payments, adjustments and prorations provided for in this Agreement and otherwise agreed upon by Seller and Buyer (the "**Settlement Statement**");
- (e) The Title Company's customary form of Owner's Affidavit;
- (f) The certificate regarding Seller's representations and warranties contained in Section 4.1 as contemplated by Section 7.2(a);
- (g) Such evidence as may be reasonably and customarily required by the Title Company with respect to the authority of the person(s) executing the documents required to be executed by Seller on behalf of Seller, a copy of which shall be provided to Buyer;
- (h) All state, county or local declarations, affidavits, or transfer statements required in connection with the recording of the Deed;
- (i) A release affidavit from the Brokers identified in Article 10 below, in form and substance satisfactory to the Title Company; and

All other instruments and documents reasonably required to effectuate this Agreement and the transactions contemplated thereby.

Further, promptly after Closing, Seller shall deliver to Buyer's designated property manager the keys to all locks on the Property in Seller's or Seller's building manager's possession and originals, if available, of all of the Due Diligence Materials.

8.3 **Buyer's Closing Deliveries.** At Closing, Buyer shall deliver or cause to be executed and delivered to the Escrow Agent each of the following items

- (a) The Settlement Statement;
- (b) The certificate regarding Buyer's representations and warranties contained in Section 4.2 as contemplated by Section 7.1(a);
- (c) Such evidence as may be reasonably and customarily required by the Title Company with respect to the authority of the person(s) executing the documents required to be executed by Buyer on behalf of Buyer;
- (d) All state, county or local declarations, affidavits, or transfer statements required in connection with the recording of the Deed;
- (e) A copy of the Survey if not previously provided by Buyer, and,
- (f) All other instruments and documents reasonably required to effectuate this Agreement and the transactions contemplated thereby.



8.4 **Delivery of Deposit.** On the Closing Date the Escrow Agent will deliver or cause to be delivered the Deposit pursuant to the terms of this Agreement.

## **ARTICLE 9**

### **Casualty and Condemnation**

9.1 **Damage.** If, prior to the Closing, all or any portion of the Property is damaged by fire or any other cause whatsoever, Seller shall promptly give Buyer written notice of such damage.

(a) **Minor Damage.** If the cost for repairing such damage is Two Hundred Thousand and 00/100 Dollars (\$200,000.00) or less (as determined by Seller's independent insurer), then Buyer shall at Closing receive the amount of the deductible plus all insurance proceeds received by Seller as a result of such loss, or an assignment of Seller's rights to such insurance proceeds, and this Agreement shall continue in full force and effect with no reduction in the Purchase Price, and Seller shall have no further liability or obligation to repair such damage or to replace the Property. Regardless of the size of the loss, for any damage not repaired prior to Closing, Seller shall not agree to any insurance settlement without Buyer's prior written consent, not to be unreasonably withheld, conditioned or delayed.

(b) **Major Damage.** If the cost for repairing such damage is greater than Two Hundred Thousand and 00/100 Dollars (\$200,000.00) (as determined by Seller's independent insurer), then Buyer shall have the option, exercisable by written notice delivered to Seller within ten (10) days after Seller's notice of damage to Buyer, which notice from Seller shall be accompanied by the written estimate of the cost for repair, either to (i) receive the amount of the deductible plus: (x) all insurance proceeds received by Seller as a result of such loss, or (y) an assignment of Seller's rights to such insurance proceeds, and this Agreement shall continue in full force and effect with no reduction in the Purchase Price, and Seller shall have no further liability or obligation to repair such damage or to replace the Property; or (ii) terminate this Agreement. If Buyer elects to terminate this Agreement, Buyer shall give written notice to Seller thereof within such ten (10) day period, the Deposit shall be returned to Buyer, and thereafter neither party will have any further rights or obligations hereunder, except for any obligations that expressly survive termination. If Buyer fails to notify Seller within such ten (10) day period of Buyer's intention to terminate this Agreement, then Buyer shall be deemed to have elected option (i) and Buyer and Seller shall proceed to Closing in accordance with the terms and conditions of this Agreement.

9.2 **Condemnation and Eminent Domain.** In the event that any condemnation proceedings are instituted, or notice of intent to condemn is given, with respect to all or any portion of the Land and/or the Improvements, Seller shall promptly notify Buyer thereof. If the condemnation will not result in a Material and Adverse Effect (as hereinafter defined) on the Property, Buyer shall consummate the purchase of the Property without reduction of the Purchase Price, and the right to collect any condemnation award or compensation for such condemnation shall be assigned by Seller to Buyer at Closing. For the purposes of this Section, "**Material and Adverse Effect**" shall mean either a condemnation: (i) for which the pro tanto award is in excess of Two Hundred Thousand and 00/100 Dollars (\$200,000.00); (ii) which causes the Property to lose a material portion of its access to public rights of way; or (iii) which

causes a loss of parking spaces. If the condemnation will result in a Material and Adverse Effect on the Property, Buyer may elect, within ten (10) days of notice thereof, either to (a) accept an assignment of any condemnation award or compensation for such condemnation from Seller at Closing whereupon this Agreement shall continue in full force and effect with no reduction in the Purchase Price, and Seller shall have no further liability or obligation to repair such damage or to replace the Property; or (b) terminate this Agreement. If Buyer elects to terminate this Agreement, Buyer shall give written notice to Seller thereof within such ten (10) day period, the Deposit shall be returned to Buyer, and thereafter neither party will have any further rights or obligations hereunder, except for any obligations that expressly survive termination. If Buyer fails to notify Seller within such ten (10) day period of Buyer's intention to terminate this Agreement, then Buyer shall be deemed to have elected option (a) and Buyer and Seller shall proceed to Closing in accordance with the terms and conditions of this Agreement.

#### **ARTICLE 10** **Brokerage Commissions**

10.1 **Representations and Indemnity.** Seller and Buyer each mutually represent and warrant to the other that they have not dealt with, and are not obligated to pay, any fees or commissions to any broker in connection with the transaction contemplated by this Agreement other than to Colliers International ("Colliers"), representing Seller, and BHHS ("BHHS") representing Buyer (Colliers and BHHS are collectively referred to as the "Brokers"). At Closing, (i) Seller shall pay Colliers a commission pursuant to separate agreement between Seller and Colliers, and (ii) Colliers shall pay BHHS a portion of such commission pursuant to a co-operating brokers agreement between Colliers and BHHS. Each party hereby agrees to indemnify, defend and hold the other party harmless from and against all liabilities, costs, damages and expenses (including reasonable attorneys' fees) arising from any claims for brokerage or finder's fees, commissions or other similar fees in connection with the transaction covered by this Agreement insofar as such claims shall be based upon alleged arrangements or agreements made by such indemnifying party or on such indemnifying party's behalf. The covenants and agreements contained in this Article shall survive the termination of this Agreement or the Closing of the transaction contemplated hereunder.

#### **ARTICLE 11** **Default, Termination and Remedies**

11.1 **Seller Default.** In the event that Seller breaches or shall have failed in any material respect on the Closing Date to have performed any of the covenants and agreements contained in this Agreement which are to be performed by Seller on or before the Closing Date ("**Seller Default**"), then Buyer shall have the right to either (a) terminate this Agreement and receive a refund of the Deposit (i.e. all sums deposited with the Escrow Agent pursuant to Sections 3.1(a) and Section 5.1(f) hereof); or (b) take any and all legal actions necessary to compel Seller's specific performance hereunder and to consummate the transaction contemplated by this Agreement in accordance with the provisions of this Agreement; provided that any such action must be commenced within one hundred and twenty (120) days following the Closing Date. In no event shall Seller be liable to Buyer for any consequential or punitive damages based upon any breach of this Agreement. **Buyer Default.** In the event Buyer breaches or shall have failed in any material respect on the Closing Date to have performed any of the covenants and

agreements contained in this Agreement which are to be performed by Buyer on or before the Closing Date (“**Buyer Default**”), Seller shall be entitled, as its sole remedy, to terminate this Agreement by giving Buyer written notice thereof and receive the entirety of the Deposit (i.e. all sums deposited with the Escrow Agent pursuant to Sections 3.1(a) and Section 5.1(f) hereof) as liquidated damages, in which event neither party hereto shall have any further rights, duties or obligations hereunder, except for the Surviving Obligations. Seller and Buyer agree that the damages resulting to Seller as a result of such default by Buyer as of the Effective Date are difficult or impossible to ascertain and the liquidated damages set forth in the preceding sentence constitute Buyer’s and Seller’s reasonable estimate of such damages.

**ARTICLE 12**  
**Miscellaneous**

12.1 **Assignment.** Buyer may not assign its rights under this Agreement, except upon Seller’s express, prior, written consent. Among any other requirements to any proposed consent by Seller to an assignment of this Agreement by Buyer, (a) Buyer and the proposed assignee shall execute an assignment and assumption of this Agreement in form and substance satisfactory to Seller, and (b) in no event shall any assignment of this Agreement release or discharge Buyer from any liability or obligation hereunder.

12.2 **Notices.** Any communication, notice or demand of any kind whatsoever which either party may be required or may desire to give to or serve upon the other shall be in writing and delivered by personal service (including express or courier service) providing receipt for delivery, or by registered or certified mail, postage prepaid, return receipt requested, or by electronic transmission via a .pdf file, addressed to such party at the address set forth below. Any such communication, notice or demand shall be deemed to have been duly given or served on the date personally served or delivery is refused, if by personal service, or three (3) days after being placed in the U.S. mail, if mailed, or upon receipt of a confirmation notice before 5:00 p.m. Central Time, if by electronic transmission. Any party may change its address for notice by written notice given to the other in the manner provided in this Section. Notice by either party under this Agreement may be given by counsel to such party.

If to Seller:

c/o Hilco Redevelopment Partners  
111 South Wacker Drive; Suite 3000  
Chicago, Illinois 60606  
Attention: Roberto Perez  
Email: [RPerez@hilcoglobal.com](mailto:RPerez@hilcoglobal.com)

c/o Hilco Redevelopment Partners  
111 South Wacker Drive; Suite 3000  
Chicago, Illinois 60606  
Attention: Anne Garr  
Email: [AGarr@hilcoglobal.com](mailto:AGarr@hilcoglobal.com)

and with a copy to:

Freeborn & Peters, LLP  
311 South Wacker Dr., Suite 3000  
Chicago, Illinois 60606  
Attention: Michael A. Moynihan  
Email: [mmoynihan@freeborn.com](mailto:mmoynihan@freeborn.com)

If to Buyer:

Northbrook Distribution Center, LLC  
540 Allendale Drive  
Wheeling, IL 60090  
Attention: Jerry Starr  
Email: [Jerry@aargusplastics.com](mailto:Jerry@aargusplastics.com)

And with a copy to:

Shapiro & Associates Law  
618 Academy Dr Unit B  
Northbrook, IL 60062  
Attention: Dan Shapiro  
Email: [Dshapiro@shapiroassociateslaw.com](mailto:Dshapiro@shapiroassociateslaw.com)

12.3 **Interpretation.** Words of any gender used in this Agreement shall be held and construed to include any other gender, and words of a singular number shall be held to include the plural and vice versa, unless the context requires otherwise.

12.4 **Captions.** The captions used in connection with the Articles of this Agreement are for convenience only and shall not be deemed to extend, limit or otherwise define or construe the meaning of the language of this Agreement.

12.5 **No Third-Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto and their respective successors and assigns and any indemnified party under this Agreement, any rights or remedies under or by reason of this Agreement.

12.6 **Amendments.** This Agreement may be amended only by a written instrument executed by Seller and Buyer (or Buyer's permitted assignee).

12.7 **Integration.** This Agreement (including the schedules and exhibits) embodies the entire agreement between Seller and Buyer with respect to the transactions contemplated in this Agreement, and there have been and are no covenants, agreements, representations, warranties or restrictions between Seller and Buyer with regard thereto other than those set forth or provided for in this Agreement.

12.8 **Choice of Law; Venue; Jurisdiction.** This Agreement shall be construed under and in accordance with the laws of the State where the Property is located. For the purposes of

any suit, action or proceeding involving this Agreement, the parties hereby expressly submit to the jurisdiction of all federal and state courts sitting in the State of Illinois and consent that any order, process, notice of motion or other application to or by any such court or a judge thereof may be served within or without such court's jurisdiction by registered mail or by personal service, provided that a reasonable time for appearance is allowed, and the parties agree that such courts shall have exclusive jurisdiction over any such suit, action or proceeding commenced by either or both of said parties. In furtherance of such agreement, the parties agree upon the request of the other to discontinue (or agree to the discontinuance of) any such suit, action or proceeding pending in any other jurisdiction. Each party hereby irrevocably waives any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement brought in any federal or state court sitting in the State of Illinois and hereby further irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

12.9 **Jury Waiver.** In recognition of the benefits of having any disputes with respect to this Agreement resolved by an experienced and expert person, Seller and Buyer hereby agree that any suit, action or proceeding, whether claim or counterclaim, brought or instituted by any party in connection with this Agreement or any event, transaction or occurrence arising out of or in any way connected with this Agreement or the Property, or the dealings of the parties with respect thereto, shall be tried only by a court and not by a jury. ACCORDINGLY, EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY EITHER PARTY IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE RELATIONSHIP OF SELLER AND BUYER HEREUNDER, BUYER'S OWNERSHIP OR USE OF THE PROPERTY, AND/OR ANY CLAIMS OF INJURY OR DAMAGE.

12.10 **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be an original but such counterparts together shall constitute one and the same instrument notwithstanding that both Buyer and Seller are not signatory to the same counterpart. Signatures to this Agreement transmitted by electronic mail in PDF format shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver an execution original to this Agreement with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Agreement, it being expressly agreed that each party to this Agreement shall be bound by its own telecopied signature and shall accept the telecopied signature of the other party to this Agreement.

12.11 **Business Day.** "Business Day" means any day on which business is generally transacted by banks in the State of Illinois. In the event any date hereunder (including the Closing Date) falls on a Saturday, Sunday or Legal Holiday, the date applicable shall be the next Business Day.

12.12 **Time of the Essence.** Time is of the essence of this Agreement.

12.13 **Use of Proceeds to Clear Title.** To enable Seller to make conveyance as herein provided, Seller may, at the time of Closing, use the Purchase Price or any portion thereof to clear the title of any or all encumbrances or interests, provided that provision reasonably

satisfactory to Buyer's attorney is made for prompt recording of all instruments so procured in accordance with conveyancing practice in the jurisdiction in which the Property is located.

12.14 **Submission not an Offer or Option.** The submission of this Agreement or a summary of some or all of its provisions for examination or negotiation by Buyer or Seller does not constitute an offer by Seller or Buyer to enter into an agreement to sell or purchase the Property, and neither party shall be bound to the other with respect to any such purchase and sale until a definitive agreement satisfactory to Buyer and Seller in their sole discretion is executed and delivered by both Seller and Buyer.

12.15 **No Rule of Construction.** Seller and Buyer have each been represented by counsel in the negotiations and preparation of this Agreement; therefore, this Agreement will be deemed to be drafted by both Seller and Buyer, and no rule of construction will be invoked respecting the authorship of this Agreement.

12.16 **No Memorandum.** Buyer and Seller agree not to record this Agreement or any memorandum hereof.

12.17 **Attorneys' Fees and Costs.** In the event either party is required to resort to litigation to enforce its rights under this Agreement, the prevailing party in such litigation will be entitled to collect from the other party all costs, expenses and attorneys' fees (including the fees of any in-house legal staff of either party of their affiliates) incurred in connection with such action.

12.18 **Severability.** In the event that any one or more of the provisions contained in this Agreement (except the provisions relating to Seller's obligations to convey the Property and Buyer's obligation to pay the Purchase Price, the invalidity of either of which shall cause this Agreement to be null and void) are held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provisions hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein; *provided, however*, that the parties hereto shall endeavor in good faith to rewrite the affected provision to make it (a) valid, and (b) consistent with the intent of the original provision.

12.19 **Exchange Options.**

(a) **Acknowledgement.** The parties acknowledge that either party may include the transfer of the Property in a "like-kind exchange" in accordance with Section 1031 of the Internal Revenue Code of 1986, as amended, utilizing a qualified intermediary structure. The non-exchanging party agrees to cooperate with the exchanging party's reasonable requests in structuring and consummating the transactions contemplated hereunder so as to comply with said Section 1031; provided, however, that in no event shall the Closing Date be extended, and the non-exchanging party shall not be required to take title to any other property or become party to any other agreement in connection with such exchange.

(b) **Costs and Expenses.** The exchanging party shall bear all costs and expenses incurred by either party in connection with any exchange transaction initiated by such party, and the exchanging party agrees to indemnify, defend and hold harmless the non-

exchanging party from and against any and all losses, costs, damages, liability or obligations (including reasonable attorneys' fees and expenses) in connection or with respect thereto.

12.20 **Confidentiality**. Seller and Buyer shall keep confidential each of the provisions of this Agreement and all business strategy, plans, discoveries, marketing information, and due diligence materials shared or created in connection herewith, except (a) if and to the extent the information is already a matter of public knowledge; (b) if and to the extent Seller or Buyer acquired the information totally apart from Buyer's or Seller's employees, agents or representatives; (c) such disclosures as may be necessary to the parties' brokers, lenders, attorneys, accountants, and space planners (collectively, "**Permitted Confidants**"); or (d) such disclosures as are required by law or by any litigation between the parties hereto. The parties shall also timely require each of their Permitted Confidants to keep that information confidential. Before making any disclosure required by law, the parties, or the Permitted Confidant, as the case may be, shall give as much notice thereof as is legally permitted, along with a copy of the proposed disclosure. The foregoing duties of confidentiality shall continue until the purchase contemplated hereby is fully completed. Seller and Purchaser previously entered into a confidentiality agreement which governed the negotiations and exchange of information related to the then-prospective interest of the parties with respect to the purchase and sale of the Property (the "**Confidentiality Agreement**"). From and after the Effective Date, the obligation of the parties to maintain the confidentiality of certain information disclosed in connection with the transactions contemplated hereunder shall be governed by this Agreement and not under the Confidentiality Agreement which shall be deemed terminated and of no further force or effect.

12.21 **Bulk Sale**. On or prior to the Closing, Seller shall have delivered to Buyer evidence that the sale of the Property to Buyer hereunder is not subject to, and does not subject Buyer to liability under any applicable state, county or local law relating to bulk sales ("**Bulk Sales Laws**"); provided, however, if the Departments (as defined below) require that funds be withheld, then Buyer may, at the Closing, deduct and withhold from the proceeds due to Seller the amount reasonably necessary to comply with the withholding required by the Departments pursuant to the Bulk Sales Laws, if any. At least fifteen (15) days prior to the Closing, Seller shall have notified the Illinois Department of Revenue, and Cook County Department of Revenue ("**Departments**") of the intended sale and request the Departments to make a determination as to whether Seller has any assessed, but unpaid, amount of tax, penalties, or interest under the Bulk Sales Laws. Notwithstanding the first sentence of this subsection, if such evidence is not delivered on or prior to the Closing Date, then Closing shall still occur and Seller shall deliver to Buyer an indemnity agreement in the form attached hereto and incorporated herein as **Exhibit F** ("**Bulk Sale Indemnity**"). The provisions of this subsection shall survive Closing.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this instrument as of the day and year first set forth above.

SELLER:

HRE Sky Harbor, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

BUYER:

NORTHBROOK DISTRIBUTION CENTER, LLC,  
an Illinois limited liability company

By:  \_\_\_\_\_

Name: Jerome Starr

Title: MANAGING PARTNER

Schedule of Exhibits and Schedules:

- Exhibit A – Legal Description
- Exhibit B – Form of Special Warranty Deed
- Exhibit C – Form of Bill of Sale
- Exhibit D – Certificate of Non-Foreign Status
- Exhibit F – Bulk Sale Indemnity
- Schedule 5.1(d) – Due Diligence Materials



**EXHIBIT A**

**LEGAL DESCRIPTION OF THE LAND**

ALL OF THE REAL ESTATE SITUATED IN NORTHBROOK, COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS:

LOTS 1 AND 4 IN NORTHBROOK EDENS INDUSTRIAL PARK UNIT NUMBER 1, A SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 5 AND PART OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 6, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 04-05-104-007-0000

Commonly known as: 3401-3411 Commercial Avenue, Northbrook, Illinois 60062

**EXHIBIT B**

**FORM OF SPECIAL WARRANTY DEED**

**SPECIAL WARRANTY DEED**

**This Document Prepared By:**

Michael A. Moynihan  
Freeborn and Peters LLP  
311 S. Wacker Drive  
Suite 3000  
Chicago, Illinois 60606

**After Recording Please Return To:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*This space reserved for Recorder's use only.*

THIS INDENTURE WITNESSETH, that HRE Sky Harbor, LLC, a Delaware limited liability company, having an address of 111 South Wacker Drive, Suite 3000, Chicago, Illinois 60606, ("Grantor") GRANTS, BARGAINS SELLS AND CONVEYS to \_\_\_\_\_, having an address of \_\_\_\_\_, Attention: \_\_\_\_\_ ("Grantee"), for and in consideration of TEN and No/100 (\$10.00) DOLLARS, and other good and valuable consideration in hand paid, the receipt whereof is hereby acknowledged, all interest in the real estate situated in the County of Cook, in the State of Illinois, and legally described on Exhibit A attached hereto and by this reference made a part hereof ("Property"), and subject to those certain permitted title exceptions described on Exhibit B attached hereto and by this reference made a part hereof:

Together with all and singular the hereditaments and appurtenances and privileges thereunto belonging, or in anywise thereunto appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever, of Grantor, either in law or equity, of, in and to the above described Property, with the hereditaments and appurtenances: TO HAVE AND TO HOLD the said Property as above described, with the appurtenances, unto Grantee, its heirs and assigns forever.

And Grantor, for itself and its successors does covenant, promise and agree, to and with Grantee, Grantee's successors and assigns, that Grantor has not done or suffered to be done anything whereby the Property hereby granted are, or may be, in any manner encumbered or charged, except as herein recited; and that Grantor will warrant and forever defend title to the Property described above, against all persons lawfully claiming or who may claim the same, by, through or under Grantor but not otherwise.

[Signature Page Follows]



**Exhibit A to Deed**

**Legal Description of the Property**

ALL OF THE REAL ESTATE SITUATED IN NORTHBROOK, COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS:

LOTS 1 AND 4 IN NORTHBROOK EDENS INDUSTRIAL PARK UNIT NUMBER 1, A SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 5 AND PART OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 6, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index Number: 04-05-104-007-0000

Property Address: 3401-3411 Commercial Avenue, Northbrook, Illinois 60062

**Exhibit B to Deed**

**Permitted Title Exceptions**

1. GENERAL REAL ESTATE TAXES AND ASSESSMENTS NOT YET DUE AND PAYABLE AND SUBSEQUENT YEARS.
2. [TBD]



**EXHIBIT C**

**FORM OF BILL OF SALE**

HRE Sky Harbor, LLC, a Delaware limited liability company (“Seller”), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grants, bargains, sells, transfers and delivers to Northbrook Distribution Center, LLC, having an address of 540 Allendale Drive, Wheeling, IL 60090 (“Buyer”), the Personal Property (as defined in the hereinafter defined Purchase Agreement) to have and to hold for Buyer, its successors and assigns, forever. As used herein, “Purchase Agreement” means that certain Purchase and Sale Agreement dated \_\_\_\_\_, 20\_\_ between Seller and Buyer for the real property commonly known and numbered as 3401-3411 Commercial Avenue, Northbrook, Illinois 60062.

Seller grants, bargains, sells, transfers and delivers the Personal Property in its “AS IS” condition, WITH ALL FAULTS, IF ANY, and makes no representations or warranties, direct or indirect, oral or written, express or implied, as to condition or fitness for a particular purpose or any other warranty of any kind, all of which representations and warranties are expressly hereby disclaimed and denied, except as may be expressly set forth in the Purchase Agreement.

Buyer agrees that the liability of Seller under this Bill of Sale shall be limited as provided in the Purchase Agreement.

Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Purchase Agreement.

*[Remainder of Page Intentionally Blank]*

Executed under seal this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

SELLER:

HRE Sky Harbor, LLC, a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Acknowledgment of Buyer

The Buyer hereby accepts the Personal Property subject to all conditions and limitations stated above.

BUYER:

Northbrook Distribution Center, LLC, a  
Illinois limited liability company,  
having an address of 540 AUGUSTA DRIVE  
WHEELING, IL 60090

By: [Signature]  
Name: JEROME STARR  
Title: MANAGING PARTNER



**EXHIBIT D**

**CERTIFICATE OF NON-FOREIGN STATUS**

Section 1445 of the Internal Revenue Code provides that a transferee (buyer) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by HRE Sky Harbor, LLC, a Delaware limited liability company ("Seller"), the undersigned hereby certifies the following on behalf of Seller.

1. Seller is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Seller's U.S. employer identification number is 35-2610378; and
3. Seller's office address is c/o Hilco Redevelopment Partners, 111 South Wacker Drive, Suite 3000, Chicago, Illinois 60606, Attn: Anne Garr,

Seller understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Seller.

Dated: \_\_\_\_\_, 20\_\_

HRE Sky Harbor, LLC, a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT E**

**BULK SALE INDEMNITY**

The undersigned does hereby agree to indemnify and hold Northbrook Distribution Center, LLC, an Illinois limited liability company ("Buyer") harmless from and against, and shall reimburse Buyer for, any and all loss, claim, liability, damages, cost, expense, action or cause of action, arising from, out of or as a consequence of the undersigned's failure to deliver to Buyer, prior to the date hereof, a Release of Bulk Sales Stop Order, or any equivalent document from the Illinois Department of Revenue which states that the Buyer is not required to withhold any amount of the purchase price for the purchase of the Property pursuant to the "bulk sales" provisions of the Illinois Retailers Occupation Tax Act, 35 ILCS 120/1 et seq., the Illinois Income Tax Act, 35 ILCS 5/101 et seq. Section 34-92 of the Code of Ordinances of Cook County, Illinois and the Chicago Revenue Ordinance.

This Indemnification shall become null and void upon the presentation by the undersigned to Buyer of said Release or its equivalent.

Dated: \_\_\_\_\_, 20\_\_

HRE Sky Harbor, LLC, a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE 5.1(D)**

**DUE DILIGENCE MATERIALS**

- 1) A copy of the most recent bill for Taxes for the Real Estate and Improvements (First Installment, 2020).
- 2) A copy of Seller's existing Survey performed by V3 Companies of Illinois, Ltd. and dated September 1, 2017.
- 3) A copy of the Environmental Site Assessment performed by V3 Companies of Illinois, Ltd. and dated August 31, 2017.
- 4) A copy of the Hazardous Building Materials Survey performed by V3 Companies of Illinois, Ltd. and dated January 30, 2018. Items 3 and 4 are herein collectively, the **"Seller's Environmental Reports."**
- 5) A copy of Seller's owner's policy of title insurance issued in connection with Seller's acquisition of the Property.
- 6) A copy of Firestone Roof Warranty Number 700356389, effective as of January 5, 2019 (the **"Roof Warranty"**).