



March 20th, 2017

Jay Eck
The Bradford Real Estate Companies
30 South Wacker Drive, Suite 2850
Chicago, Illinois 60606

Re: Main Street Downtown
Parcel E - Letter of Intent
Orland Park, Illinois

Dear Jay:

As development consultant for the Village of Orland Park, HSA Commercial, Inc. is pleased to present the following proposal for Bradford Real Estate Companies to acquire and develop a parcel within the Main Street Downtown, an approximately 27-acre area located at the northwest corner of 143rd Street and LaGrange Road in the Village of Orland Park, Illinois that is owned or controlled by the Village of Orland Park. Bradford shall construct a two story, approximately 80,000-square-foot, mixed-use building anchored by a Cinepolis movie theater occupying the entire second level with specialty retail and restaurant space on the first level and more specifically described below.

Owner: Village of Orland Park ("VOP")

Purchaser: An affiliate entity of The Bradford Real Estate Companies ("Bradford")

Property: Approximately 1.69 acres depicted as "Parcel E" in "Exhibit A".

Purchase Price: \$1,000,000.00

Terms of Payment: The Purchase Price, inclusive of any earnest money deposit, shall be paid in cash at Closing, plus or minus any customary prorations

Development: Contained within the Property, and at its sole expense, Purchaser will develop an approximately 40,000-square-foot upscale theater, primarily on the second floor with restaurant, office, or retail space on the ground level, the amount of GLA will be mutually agreed upon, but also consistent with market demand (Building"). Subject to market constraints, Bradford and VOP will work together with the goal of developing at least 25,000 square feet on the first floor facing LaGrange Road in a manner that is consistent with the VOP's mixed-use vision for this Building, and any office uses will be on the Ravinia Avenue side of the Building. Additionally, Bradford shall develop the remainder of the Property, inclusive of all site work mutually agreed upon with the VOP within the back of curb of the Property. Development shall be subject to all existing exclusive and easement restrictions that exist within the Main Street Triangle to be further reviewed during Due Diligence.

Purchaser shall assume sole responsibility for the design, entitlement, financing, and construction of the Development. Bradford shall retain VOP's design architect (TOA Design) for the initial base building design



to expedite the entitlement process, as long as TOA's fees are competitive with other design architects in the industry.

Construction Costs:

Notwithstanding the foregoing, Construction Costs in excess of one hundred fifty dollars (\$150) per square foot of the gross building area of the Building shall reduce the Purchase Price dollar-for-dollar up to a maximum reduction of \$1,000,000. Construction Costs shall be defined as those specific costs to deliver the Building in a "warm dark shell" condition as mutually agreed upon and outlined in the Cinepolis required work letter (attached), together with customary site work within 12' of the Building (sidewalk, landscaping, etc.), as well as architectural, engineering, permit, and entitlement fees. Construction Costs shall not include any brokerage commissions or tenant improvements, or allowances payable to prospective tenants of the Development. Prior to Closing, Purchaser and Owner shall review and mutually agree upon the Construction Costs. Purchaser shall use commercially reasonable efforts to reduce Construction Costs by engaging in value engineering with VOP, as well as obtaining construction bids from three general contractors which shall be shared with VOP before awarding any contract.

Development Enhancements:

VOP shall be responsible for reimbursing Purchaser for the cost of constructing any upgrades to the Development unrelated to the base building construction of the Building and associated site work immediately adjacent to the building as described above such as plazas and other amenities. VOP's written consent shall be required for the additional scope and extraordinary site costs.

Delivery of Documents:

Within ten (10) days of the execution of this document, VOP shall deliver to Bradford any information in their possession pertinent to Bradford's due diligence process for the Property including but not limited to title reports and surveys, current tax bills, all physical reports pertaining to the Property, and any environmental studies in VOP's possession.

Due Diligence:

VOP and Bradford agree to work together to expedite the entitlement process and will simultaneously pursue the following activities within THREE HUNDRED SIXTY (360) days from receiving VOP board approval of this document and a fully executed purchase and sale agreement to:

- a. Finalize a lease with the project's anchor tenant
- b. Perform any customary inspections with regard to the environmental condition of the Property
- c. Review title for the Property
- d. Prepare engineering and construction documents for the Development
- e. Receive all necessary entitlements and permits to begin construction of the Development

Notwithstanding the above, upon VOP Board approval, Bradford shall commence with concept drawings and preliminary entitlements.



- Delivery Condition:** Bradford shall take possession of the Property in its as-is condition which, generally consists of a pad-ready condition, free and clear of all construction debris, with all utilities (water, storm sewer, sanitary sewer, natural gas, electric) stubbed within five (5') feet of the Property. Bradford shall confirm this condition during its Due Diligence. VOP represents that the Property shall be delivered to the Bradford in compliance with all applicable environmental laws, county storm water requirements, and regulations consistent with the development of the intended use of the Property. VOP shall provide Bradford and their lender with an environmental indemnity to be further defined in the purchase and sale agreement.
- Parking Structure:** VOP shall provide parking for the Property through a common parking structure as depicted in Exhibit A at no cost or expense other than the operational cost of routine maintenance and insurance payable to VOP on a proportional basis as reasonably, but mutually, determined. Use of the structure is subject to an easement agreement with VOP and University of Chicago. Bradford shall confirm the suitability of the parking during Due Diligence. Bradford or its Tenants will have no obligation to reimburse the University of Chicago for their maintenance of common areas
- Common Area Costs:** Bradford shall be responsible for 100% of all operating costs associated with the Property including real estate taxes, insurance, and maintenance. Additionally, Bradford shall pay a proportionate share of routine maintenance and insurance costs associated with the adjacent parking structure (as described above) as well as a contribution towards adjacent roads. The proportionate share shall be agreed upon, but based on a to-be-determined, but reasonable, proportional basis..
- Closing:** Thirty (30) days from the satisfaction of the Bradford's Due Diligence

This letter of intent does not include material and substantive business terms that still must be negotiated between both parties and therefore is not intended to be, nor should it be considered, a binding agreement. The terms and conditions set forth herein are subject to final Village of Orland Park Board approval and further mutual negotiation and agreement and are not binding upon any party unless, and until, they are embodied in a final and legally binding mutually acceptable agreement(s) signed by all parties.

Sincerely,

Timothy Blum
Executive Vice President and Managing Director



Accepted and agreed to by:

PURCHASER

By: _____

Its: _____

Date: _____

OWNER

By: _____

Its: _____

Date: _____

EXHIBIT A Property Location

