

INDEPENDENT CONTRACTOR AGREEMENT

THIS INDEPENDENT CONTRACTOR AGREEMENT (the "**Agreement**") is made as of the 1st day of October, 2003, by and between Rezmar Development Group, an Illinois corporation with its principal office located at 853 N. Elston, Chicago, Illinois 60622 (the "**Company**"), and River Realty, Inc., an Illinois corporation ("**River Realty**").

RECITALS:

A. The Company is a full service real estate development company engaged in property acquisition, planning, developing, construction management, sales and marketing, and property management in locations across the United States and, specifically, the City of Chicago;

B. River Realty is a corporation that employs licensed real estate brokerage agents and appraisers and has been engaged in and has obtained certain unique and particular talents and abilities in the real estate brokerage business;

C. The Company and River Realty entered into that certain Non-Exclusive Buyer-Broker Agreement on February 1, 2001 (the "**Original Agreement**");

D. The Original Agreement expired by its terms on February 1, 2003, but the Company and River Realty have continued their business relationship on the same terms and conditions as set forth in the Original Agreement since such date and desire to extend their business relationship as set forth herein; and

E. The Company and River Realty desire to amend and restate the terms of the Original Agreement as set forth herein so that, subject to the terms, conditions and covenants hereinafter set forth, the Company may assure itself of the availability of River Realty's resources, and River Realty may formalize its status as an independent contractor of the Company.

NOW, THEREFORE, in consideration of the foregoing and the agreements, covenants and conditions set forth herein, River Realty and the Company hereby agree as follows:

ARTICLE I

APPOINTMENT AND DUTIES

1.1 Appointment. The Company hereby reaffirms its appointment of River Realty as an independent contractor, and River Realty hereby acknowledges and accepts such appointment, upon the terms and conditions set forth in this Agreement. River Realty shall continue to have and fully perform such duties and responsibilities that are commensurate with its position as an independent contractor of the Company and as may be from time to time assigned to River Realty by the Company.

1.2 Activities and Duties During Term of Agreement. River Realty represents and warrants to the Company that it is free to continue in the position of independent contractor with the Company, and that it has no prior or other commitments or obligations of any kind to anyone

else which would hinder or interfere with River Realty's acceptance of its obligations under this Agreement, or the exercise of its best efforts as an independent contractor of the Company. During the Agreement Term (as defined below), River Realty agrees to:

- (a) devote sufficient time, attention and efforts to the faithful and diligent performance of its services to the Company; provided, that River Realty is under no obligation to provide full-time service to the Company;
- (b) faithfully serve and further the interests of the Company in every lawful way, giving honest, diligent, loyal and cooperative service to the Company;
- (c) comply with all rules and policies which, from time to time, may be adopted by the Company;
- (d) use its reasonable best efforts to identify properties available for acquisition that meet the Company's specifications relating to location, price, features, amenities and potential for development;
- (e) arrange, to the best of its abilities, for inspections of properties identified by River Realty as potentially appropriate for acquisition by the Company;
- (f) use its professional skill to negotiate a contract acceptable to the Company for the acquisition of any property identified by River Realty as appropriate for acquisition by the Company or for the sale of any property currently owned by the Company;
- (g) disclose to the Company any information known to River Realty that would affect materially the Company's decision to acquire or sell a property;
- (h) assist the Company, after a contract is executed, in securing financing or other commitments or services as may be necessary to close the applicable transaction; and
- (i) be available upon reasonable notice and during reasonable hours to inspect properties that are potentially appropriate for acquisition or sale by the Company.

ARTICLE II

TERM

2.1 Term. The term of service under this Agreement shall be two (2) years, commencing on the date of the Agreement (such term of service, as it may be extended or terminated, is herein referred to as the "Agreement Term"), which Agreement Term shall automatically renew for one-year periods unless terminated by either party by written notice not less than sixty (60) days prior to expiration of the then-current term.

2.2 Termination. River Realty's status as an independent contractor of the Company may be terminated as follows:

(a) By the Company, at any time, without Cause (as defined herein) by providing River Realty with written notice of termination. If the Company terminates River Realty's service hereunder without Cause, the Company shall be obligated to pay River Realty's pro-rated base retainer and guaranteed bonus (if any) only through the actual effective date of termination.

(b) By River Realty, other than for Good Reason (as defined herein) or by the Company immediately for "Cause." For purposes of this Agreement, "Cause" shall mean (i) conduct amounting to fraud, embezzlement, gross negligence, or willful or illegal misconduct in connection with River Realty's duties under this Agreement; (ii) any act of dishonesty in connection with River Realty's duties under this Agreement; (iii) the indictment or conviction of River Realty by a court of proper jurisdiction of (or its written, voluntary and freely given confession to) a crime which constitutes a felony and/or results in injury to the Company's property, operation or reputation; or (iv) any failure by River Realty to perform or observe any duty assigned to River Realty hereunder or the breach of any term under this Agreement, which default has continued for a period of five (5) business days after written notice thereof from the Company to River Realty. If River Realty resigns (other than for Good Reason) or if the Company terminates River Realty's services for Cause hereunder, the Company shall be obligated to pay River Realty's pro-rated base salary only through the actual effective date of termination and shall have no other payment obligation or liability to River Realty under this Agreement or otherwise.

(c) By River Realty upon five (5) business days notice to the Company for Good Reason, which notice shall state the reason for termination. For the purpose of this Agreement, "Good Reason" shall mean:

(i) the assignment to River Realty of any duties inconsistent with River Realty's position, authority, duties or responsibilities as contemplated by Article I of this Agreement, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities without the prior written consent of River Realty, excluding for this purpose an isolated action not taken in bad faith and which is remedied by the Company within five (5) business days after receipt of written notice thereof given by River Realty;

(ii) any material failure by the Company to comply with any of the provisions of this Agreement, other than an isolated failure not occurring in bad faith and which is remedied by the Company within five (5) business days after receipt of written notice thereof given by River Realty; or

(iii) any purported termination by the Company of River Realty's services otherwise than as expressly permitted by this Agreement.

if River Realty terminates its services for Good Reason hereunder, the Company shall be obligated to pay River Realty's pro-rated base retainer and any accrued bonus and accrued vacation pay and expense reimbursements only through the actual effective date of termination.

2.3 Cessation of Rights and Obligations: Survival of Certain Provisions. On the date of expiration or earlier termination of the Agreement Term for any reason, all of the respective rights, duties, obligations and covenants of the parties, as set forth herein, shall, except as specifically provided herein to the contrary, cease and become of no further force or effect as of the date of said termination, and shall only survive as expressly provided for herein.

2.4 Cessation of Compensation. Upon any termination of the Agreement Term, River Realty shall be entitled to receive the compensation set forth above in Section 2.2 and expense reimbursement through the date of termination; provided, however, that any compensation or expense reimbursement payable to River Realty shall be subject to any set-offs to which the Company may be entitled. Unless specifically required to be paid by law, other compensation and benefits will not be paid or provided after termination for any reason.

ARTICLE III

COMPENSATION OF BENEFITS

3.1 Compensation.

(a) During the Agreement Term, the Company shall retain River Realty for Twelve Thousand Dollars (\$12,000) per month. Such retainer may be increased at the discretion of the Company. In addition, the Company shall pay River Realty commissions for assisting the Company with acquisitions or dispositions of property in accordance with the following schedule:

<u>Purchase/Sales Price</u>	<u>Commission Percentage</u>
Up to \$1,000,000	3%
\$1,000,001 to \$4,000,000	2%
\$4,000,001 to \$10,000,000	1%
Over \$10,000,000	To Be Negotiated

Any commissions earned (the "Earned Commissions") by River Realty shall be paid by the Company to River Realty in immediately available funds on April 1st and October 1st (each, a "Commission Payment Date") of each year during the Agreement Term in an amount equal to the sum of (A) the amount of Earned Commissions since the prior Commission Payment Date less (B) the amount of retainer paid by the Company to River Realty since the prior Commission Payment Date, less (C) any outstanding negative balance from a prior Commission Payment Date. For example, if River Realty earns \$100,000 of commissions and was paid \$72,000 during the period since the prior Commission Payment Date, the Company shall pay River Realty its monthly retainer of \$12,000 plus the difference between \$100,000 and \$72,000 at the current Commission Payment Date. If there is a negative balance from the operation of the foregoing formula, such negative balance shall be carried forward to the next Commission Payment Date; provided, however, that in consideration for River Realty's agreeing to be available to the Company at all times during reasonable hours and, thus, possibly foregoing other valid and lucrative business opportunities because of its time commitment to the Company,

River Realty shall not be obligated to pay back any outstanding negative balance upon termination of the Agreement unless the Agreement is terminated by the Company for Cause.

(b) The Company may, in addition to River Realty's regular retainer, pay River Realty bonuses as the Company, in its sole discretion, may from time to time decide.

3.2 Payment. All compensation shall be payable in intervals in accordance with the general payroll payment practice of the Company. The Company shall not be under any duty to withhold a portion of the compensation to satisfy River Realty's tax burdens as River Realty shall be responsible for satisfying any taxes associated with the compensation.

3.3 Business Expenses.

(a) Reimbursement. The Company shall reimburse River Realty for all reasonable, ordinary, and necessary business expenses incurred by it in connection with the performance of its duties hereunder, including, but not limited to, ordinary and necessary travel expenses and entertainment expenses.

(b) Accounting. River Realty shall provide the Company with an accounting of its expenses, which accounting shall clearly reflect which expenses are reimbursable by the Company. River Realty shall provide the Company with such other supporting documentation and other substantiation of reimbursable expenses as will conform to Internal Revenue Service or other requirements. All such reimbursements shall be payable by the Company to River Realty within a reasonable time after receipt by the Company of appropriate documentation therefor.

3.4 Other Benefits. River Realty shall be entitled to participate in any benefit plan or plans of the Company which may now or hereafter be in effect and for which it is eligible.

ARTICLE IV

CONFIDENTIALITY AND NON-SOLICITATION

4.1 Non-Disclosure of Confidential Information. River Realty hereby acknowledges and agrees that the duties and services to be performed by River Realty under this Agreement are special and unique and that as of a result of this Agreement, River Realty will acquire, develop and use information of a special and unique nature and value that is not generally known to the public or to the Company's industry, including but not limited to, certain records, secrets, documentation, manner of operation, software programs, source codes, computer and other technologies, computer operations and development, operational concepts and know-how, trade secrets, price lists, ledgers and general information, employee records, mailing lists, customer lists, customer profiles, prospective customer lists, accounts receivable and payable ledgers, financial and other records of the Company or its affiliates, information regarding its customers or principles, and other similar matters (all such information being hereinafter referred to as "**Confidential Information**"). River Realty further acknowledges and agrees that the Confidential Information is of great value to the Company and its affiliates and that the

restrictions and agreements contained in this Agreement are reasonably necessary to protect the Confidential Information and the goodwill of the Company. Accordingly, River Realty hereby agrees that:

(a) River Realty will not, during the Agreement Term or at any time thereafter, directly or indirectly, except in connection with River Realty's performance of its duties under this Agreement, or as otherwise authorized by the Company for the benefit of the Company, divulge to any person, firm, corporation, limited liability company, or organization, other than the Company (hereinafter referred to as "Third Parties"), or use or cause or authorize any Third Parties to use, the Confidential Information, except as required by law.

(b) Upon the termination of the Agreement Term for any reason whatsoever, River Realty shall deliver, destroy or delete or cause to be delivered, destroyed or deleted, as the Company may request, any and all Confidential Information belonging to the Company or its affiliates which is in its possession or under its control relating to the Company or its affiliates, regardless of the medium upon which it is stored, and will deliver to the Company upon such termination of employment any other property of the Company or its affiliates which is in its possession or under its control.

4.2 Solicitation of Prohibited Persons. (a) River Realty acknowledges that the Company's relationships with its clients (defined below), their affiliates and related entities and its employees (hereinafter referred to as "Prohibited Persons") are special and unique, in that the Company's relationships with the Prohibited Persons may not be able to be replaced by the Company and that such relationships provide the Company with a competitive advantage over its competitors. For purposes of this Section 4.2, a "client" shall include any current customer of the Company, as well as any person or entity (or any affiliate or related person or entity) that was introduced to River Realty by or through the Company within the 12-month period immediately preceding the termination of this Agreement.

(b) River Realty further acknowledges that the protection of the Company's clients, business and business processes is essential. Therefore, River Realty expressly covenants and agrees that during the term of this Agreement and for a period of one year immediately following the termination of this Agreement for any reason, River Realty will not solicit or attempt to solicit the business of any client, directly or indirectly, for its own account or for the account of any other person, firm, partnership, corporation or other entity, or induce, or attempt to induce, any employees or agents of the Company to terminate any relationship with the Company. Nothing herein shall preclude River Realty from using traditional means (announcement cards and the like) of advising the real estate community of a change in its association.

(c) River Realty hereby acknowledges that the restrictive covenants referred to in this Section 4.2 are reasonable in all respects, including but not limited to, duration in time and the scope of activity prohibited, and that such restrictive covenants are essential to the Company in order to reasonably protect its business and its assets.

4.3 Invalidity. In the event the foregoing restrictive covenants shall be adjudicated by any court of competent jurisdiction to be partially or totally invalid or unenforceable because of the duration in time or because of the scope of activities prohibited thereby, or for any reason, such restrictive covenants shall be deemed modified to the minimum extent necessary to render them valid and enforceable under the laws of such jurisdiction, or shall be deleted from this Agreement, as circumstances may require, and the restrictive covenants subject to such modification or deletion shall be enforced to the maximum extent and scope permitted by the laws of such jurisdiction.

ARTICLE V

MISCELLANEOUS

5.1 Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be deemed given, delivered and received (a) when delivered, if delivered personally, (b) four days after mailing, when sent by registered or certified mail, return receipt requested and postage prepaid, (c) one business day after delivery to a private courier service, when delivered to a private courier service providing documented overnight service, and (d) on the date of delivery if delivered by telecopy, receipt confirmed, provided that a confirmation copy is sent on the next business day by first class mail, postage prepaid, in each case addressed as follows:

To River Realty at:

2701 W. Belmont
Chicago, Illinois 60618
Attn: Patricia Blagojevich
Ph: (773) 866-0025
Fax: (773) 588-9463

To Company at:

853 N. Elston
Chicago, Illinois 60622
Attn: Antoin Rezko
Ph: (312) 666-8887
Fax: (312) 666-3558

With a copy to:

Shesky & Froelich Ltd.
444 North Michigan Avenue
Suite 2500
Chicago, IL 60611
Attention: Brian F. Hynes
Ph: 312-836-4030
Fax: 312-527-5921

Any party may change its address for purposes of this paragraph by giving the other party written notice of the new address in the manner set forth above.

5.2 Entire Agreement; Amendments, Etc. This Agreement contains the entire agreement and understanding of the parties hereto, and supersedes all prior agreements and understandings relating to the subject matter thereof. No modification, amendment, waiver or alteration of this Agreement or any provision or term hereof shall in any event be effective unless the same shall be in writing, executed by both parties hereto, and any waiver so given shall be effective only in the specific instance and for the specific purpose for which given.

5.3 Benefit. This Agreement shall be binding upon, and inure to the benefit of, and shall be enforceable by, the successors and permitted assignees of River Realty and the successors, assignees and transferees of the Company. This Agreement or any right or interest hereunder may not be assigned by River Realty without the prior written consent of the Company.

5.4 No Waiver. No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder or pursuant hereto shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or pursuant thereto.

5.5 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law but, if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. If any part of any covenant or other provision in this Agreement is determined by a court of law to be overly broad thereby making the covenant unenforceable, the parties hereto agree, and it is their desire, that the court shall substitute a judicially enforceable limitation in its place, and that as so modified the covenant shall be binding upon the parties as if originally set forth herein.

5.6 Compliance and Headings. Time is of the essence of this Agreement. The headings in this Agreement are intended to be for convenience and reference only, and shall not define or limit the scope, extent or intent or otherwise affect the meaning of any portion hereof.

5.7 Governing Law. The parties agree that this Agreement shall be governed by, interpreted and construed in accordance with the internal laws of the State of Illinois, and the parties agree that any suit, action or proceeding with respect to this Agreement shall be brought in the courts of Cook County in the State of Illinois or in the U.S. District Court for the Northern District of Illinois. The parties hereto hereby accept the exclusive jurisdiction of those courts for the purpose of any such suit, action or proceeding. Venue for any such action, in addition to any other venue permitted by statute, will be Cook County, Illinois.

5.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.


5.9 Interpretation. Article titles and headings to Sections herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or

interpretation of this Agreement. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party.

5.10 Recitals. The Recitals set forth above are hereby incorporated in and made a part of this Agreement by this reference.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed and delivered as of the day and year first above written.

COMPANY:

By: 
Its: _____

RIVER REALTY:

By: 
Its: President

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