

ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER DANIEL W. HYNES

Name of Municipality: **Village of Palatine**
County: **Cook**
Basis of Accounting: **Modified Accrual**

Unit Code: **016/430/32**
Reporting Fiscal Year: **2008**
Fiscal Year End: **12/31/2008**

TIF Administrator/Contact Information:

First Name: **Reid** Last Name: **Ottesen**
Address: **200 E. Wood Street** Title: **Village Manager**
Telephone: **(847) 359-9050** City: **Palatine** Zip: **60067**
E-Mail: **rottesen@palatine.il.us**

I attest to the best of my knowledge, this report of the redevelopment project areas in:

**City/Village of Palatine is complete and accurate at the end of this reporting
Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74 et. seq.]
Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]**

of the Industrial Jobs Re-

7/9/09

Written signature of TIF Administrator

Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5*))

FILL OUT ONLY ONCE (PER MUNICIPALITY), ADD ADDITIONAL ROWS AS NECESSARY

**All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation
Redevelopment Act [65 ILCS 5/11-74.4-3 et. Seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]*

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

Name of Redevelopment Project Area:	Rand Corridor TIF
Primary Use of Redevelopment Project Area*:	Combination/Mixed
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> Industrial Jobs Recovery Law <input type="checkbox"/>	

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G		X
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I		X
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J		X
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9) If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**Provide an analysis of the special tax allocation fund.**

	Reporting Year	Cumulative
Fund Balance at Beginning of Reporting Period	\$ 13,510,765	

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

	\$	\$	% of Total
Property Tax Increment	3,198,105	10,023,932	34%
State Sales Tax Increment	-	-	0%
Local Sales Tax Increment	-	-	0%
State Utility Tax Increment	-	-	0%
Local Utility Tax Increment	-	-	0%
Interest	44,419	347,662	1%
Land/Building Sale Proceeds	-	-	0%
Bond Proceeds	-	17,625,000	60%
Transfers from Municipal Sources	1,230,159	1,230,159	4%
Private Sources	-	-	0%
Other (identify source _____; if multiple other sources, attach schedule)	-	-	0%

Total Amount Deposited in Special Tax Allocation**Fund During Reporting Period** \$ 4,472,683**Cumulative Total Revenues/Cash Receipts** \$ 29,226,753 100%**Total Expenditures/Cash Disbursements** (Carried forward from Section 3) \$ 16,828,925**Distribution of Surplus** \$ -**Total Expenditures/Disbursements** \$ 16,828,925**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENT** \$ (12,356,242)**FUND BALANCE, END OF REPORTING PERIOD** \$ 1,154,523

- if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND**

(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED**Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]**

	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)	
Legal Fees	210,074
Survey/Appraisal Fees	10,370
Office Supplies	32
Other Professional Services	5,066
	\$ 225,542
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)	
	\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)	
Land Acquisition (Reimbursement)	13,244,806
Site Development	4,040
Remediation	3,400
	\$ 13,252,246
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)	
Rehabilitation, Reconstruction and Repairs	
	\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)	
Infrastructure Improvements (streets, watermains, etc.)	333,495
	\$ 333,495

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))**Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period****(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))****FUND BALANCE, END OF REPORTING PERIOD**

\$ 1,154,523

Amount of Original Issuance	Amount Designated
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1. Description of Debt Obligations

General Obligation Bond Series of 2004B	\$ 3,025,000	\$ -
Limited Obligation Redevelopment Note Series 2006A	\$ 3,500,000	\$ 513,925
General Obligation Bond Series of 2007C	\$ 1,215,000	\$ 1,215,000
Taxable General Obligation Bond Series of 2007D	\$ 9,885,000	\$ 9,885,000

Total Amount Designated for Obligations

\$ 17,625,000 \$ 11,613,925

2. Description of Project Costs to be Paid

Foxfire/Caputo's		\$ 930,000

Total Amount Designated for Project Costs

\$ 930,000

TOTAL AMOUNT DESIGNATED

\$ 12,543,925

SURPLUS*/(DEFICIT)

\$ (11,389,402)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

X **No property was acquired by the Municipality Within the Redevelopment Project Area**

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

Please include a brief description of each project.

No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Estimated Cost of the Total Project
TOTAL:			
Private Investment Undertaken (See Instructions)	\$ 23,744,493	\$ 5,830,000	\$ 34,244,493
Public Investment Undertaken	\$ 20,630,576	\$ 9,650,000	\$ 30,320,270
Ratio of Private/Public Investment	1.15		1.13
Project 1: Walmart			
Private Investment Undertaken (See Instructions)	\$ 10,044,493	\$ -	\$ 10,044,493
Public Investment Undertaken	\$ 3,865,775	\$ -	\$ 3,865,775
Ratio of Private/Public Investment	2.60		2.60
Project 2: Foxfire/Caputo's			
Private Investment Undertaken (See Instructions)	\$ 1,300,000	\$ -	\$ 1,300,000
Public Investment Undertaken	\$ 901,601	\$ -	\$ 941,295
Ratio of Private/Public Investment	1.44		1.38
Project 3: Arlington Toyota			
Private Investment Undertaken (See Instructions)	\$ 7,500,000	\$ 2,500,000	\$ 10,000,000
Public Investment Undertaken	\$ 13,086,705	\$ -	\$ 13,086,705
Ratio of Private/Public Investment	0.57		0.76
Project 4: Tore & Luke's			
Private Investment Undertaken (See Instructions)	\$ 1,500,000	\$ 1,000,000	\$ 2,500,000
Public Investment Undertaken	\$ 1,003,484	\$ -	\$ 1,003,484
Ratio of Private/Public Investment	1.49		2.49
Project 5: General Public Improvements			
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 343,650	\$ 125,000	\$ 468,650
Ratio of Private/Public Investment	0.00		0.00
Project 6: White Castle			
Private Investment Undertaken (See Instructions)	\$ 1,500,000	\$ -	\$ 1,500,000
Public Investment Undertaken	\$ 121,520	\$ -	\$ 121,520
Ratio of Private/Public Investment	12.34		12.34
Project 7: Harley Davidson			
Private Investment Undertaken (See Instructions)	\$ -	\$ 2,330,000	\$ 7,000,000
Public Investment Undertaken	\$ 1,270,023	\$ 525,000	\$ 1,795,023
Ratio of Private/Public Investment	0.00		3.90

Project 8: Menards Site			
Private Investment Undertaken (See Instructions)			\$ -
Public Investment Undertaken	\$ 10,100	\$ 9,000,000	\$ 9,010,100
Ratio of Private/Public Investment	0.00		0.00

Project 9: Thrifty Car Sales			
Private Investment Undertaken (See Instructions)	\$ 1,900,000	\$ -	\$ 1,900,000
Public Investment Undertaken	\$ 27,718	\$ -	\$ 27,718
Ratio of Private/Public Investment	68.55		68.55

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment

project area was

designated

Reporting Fiscal Year

EAV

2001	\$	53,566,271	\$	97,944,093
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List all overlapping tax districts in the redevelopment project area.

If overlapping taxing district received a surplus, list the surplus.

The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
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	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
		\$	-
		\$	-
		\$	-
		\$	-
		\$	-
		\$	-
		\$	-

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

11. **What is the primary purpose of the *Journal of Clinical Endocrinology and Metabolism*?**

Optional Documents	Enclosed	
Legal description of redevelopment project area		
Map of District		

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER

I, James W. Schwantz, the duly elected Mayor and Chief Executive Officer of the Village of Palatine, County of Cook, State of Illinois, do hereby certify that to the best of my knowledge, the Village complied with the requirements pertaining to the Illinois Tax Increment Redevelopment Allocation Act during the fiscal year beginning January 1, 2008 and ending December 31, 2008.



James W. Schwantz
Mayor

7-13-09

Date

CERTIFICATION BY THE VILLAGE ATTORNEY

This will confirm that I am the duly appointed Village Attorney of the Village of Palatine, County of Cook, State of Illinois. I have reviewed all information provided to me by the Village of Palatine staff and consultants. I find that the Village has conformed to all the applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth thereunder for the fiscal year beginning January 1, 2008 and ending December 31, 2008, to the best of my knowledge and belief.



Robert C. Kenny
Village Attorney



7/7/09
Date

Activities Undertaken in Furtherance of the Objectives of the Redevelopment Plan

Authorized the Mayor to execute the first amendment to the redevelopment agreement between the Village of Palatine and Rand Ridge, LLC for the property at the northwest corner of Rand Road and Spruce Drive.

Authorized the Mayor to execute the first and second amendments to the redevelopment agreement between the Village of Palatine and Arlington Automotive Group, Inc.

Authorized the Village Manager to acquire and execute all documents necessary and convenient to closing at the property at 1775 N. Rand Road.

Authorized the Village Manager to sell the properties and execute documents necessary and convenient to sell the properties generally located at 2083 N. Rand Road pursuant to the Redevelopment Agreement between the Village of Palatine and Arlington Automotive Group.

Authorized condemnation proceedings for the acquisition of certain property in the project area at 2021/2031 Rand Road. Also authorized purchase negotiations and schedule for acquisition.



Doc#: 0808455006 Fee: \$68.00
Eugene "Gene" Moore
Cook County Recorder of Deeds
Date: 03/24/2008 11:17 AM Pg: 1 of 17

ORDINANCE NO. 0-30-08

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE
A FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT BETWEEN
THE VILLAGE OF PALATINE AND ARLINGTON AUTOMOTIVE GROUP, INC.**

PINS - 02-02-203-009--014
02-02-203-020--022
02-02-203-035, 036
02-02-205-018

Village Clerk's Office
Village of Palatine
200 E. Wood Street
Palatine, IL 60067

**Published in pamphlet form by authority of the
Mayor and Village Council of the Village of Palatine
on March 10, 2008**

ORDINANCE NO. 0-30-08

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE
A FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT BETWEEN
THE VILLAGE OF PALATINE AND ARLINGTON AUTOMOTIVE GROUP, INC.**

WHEREAS, the Village of Palatine by Ordinance Nos. 0-23-03, 0-24-03, 0-25-03 and passed by the Mayor and Village Council on January 27, 2003 established a Tax Increment Financing District; adopted a Tax Increment Redevelopment Plan for Rand Road Corridor and designated a Redevelopment Project Area; and

WHEREAS, the Village of Palatine entered into a Redevelopment Agreement with Arlington Automotive Group, Inc. dated May 11, 2007 for the property located at the northeast corner of Rand and Hicks Roads; and

WHEREAS, the Mayor and Village Council have on March 10, 2008, considered the proposed First Amendment to Redevelopment Agreement with Arlington Automotive Group, Inc., and have determined that entering into this Agreement furthers the purposes of the Tax Increment Financing District and the Redevelopment Plan for the Rand Road Corridor and furthers the public interest; and

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Village Council of the Village of Palatine, acting in the exercise of their home rule power that:

SECTION 1: The Village of Palatine hereby authorizes the Mayor to execute the First Amendment to the Redevelopment Agreement attached hereto as Exhibit "A", pursuant to the Tax Increment Financing Act, Section 65 ILCS 5/11-74/4-4(c) and authorizes the Mayor to execute any other supporting documents to the extent permitted by law.

SECTION 2: This Ordinance shall be in full force and effect upon passage and approval as provided by law.

PASSED: This 10 day of March, 2008

AYES: 6 NAYS: 0 ABSENT: 0 PASS: 0

APPROVED by me 10 **day of** March, **2008**


Jim D. Miller
Mayor of the Village of Palatine

ATTESTED and FILED in the office of the Village Clerk

This 10 day of March, 2008

Margaret Best →
Village Clerk

FIRST AMENDMENT TO
REDEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT (this "Amendment"), is made and entered into as of the 10 day of March, 2008 ("Amendment Date") by and between the VILLAGE OF PALATINE, ILLINOIS, an Illinois municipal home rule corporation, located in Cook County, Illinois (the "Village"), Arlington Automotive Group, Inc., an Illinois corporation (the "Car Dealer"), and DNA Realty, INC., an Illinois corporation ("DNA"). (Village and Car Dealer and DNA are sometimes referred to individually as a "Party" and collectively as the "Parties").

R E C I T A L S

WHEREAS, the Village is a home rule unit of government in accordance with Article VII, Section 6, of the Constitution of the State of Illinois, 1970; and

WHEREAS, the Village has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety and welfare of the Village and its inhabitants, to prevent the presence of blight, to encourage private development in order to enhance the local tax base, to increase additional tax revenues realized by the Village, foster increased economic activity within the Village, to increase employment opportunities within the Village, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes, and otherwise be in the best interests of the Village; and

WHEREAS, the Village is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act"), to finance redevelopment in accordance with the conditions and requirements set forth in the Act; and

WHEREAS, the parties hereto previously entered into that certain Redevelopment Agreement dated as of the 11th day of May, 2007 and recorded on May 24, 2007 as Document # 0714449021 (the "Original Redevelopment Agreement"); and

WHEREAS, the parties now wish to amend Sections of the Original Redevelopment Agreement as provided herein below; and

WHEREAS, the terms of the Original Redevelopment Agreement shall remain in full force and effect and the terms of the Original Redevelopment Agreement except with respect to the Sections amended in this First Amendment to the Original Redevelopment Agreement; and

WHEREAS, this Amendment has been submitted to the corporate authorities of the Village for consideration and review. The corporate authorities have taken all actions required to be taken prior to the execution of this Amendment in order to make the same binding upon the Village according to the terms hereof and any and all actions of the corporate authorities of the Village precedent to the execution of this Amendment have been undertaken and performed in the manner required by law; and

WHEREAS, this Agreement has been submitted to the directors of Car Dealer and directors of the DNA for consideration and review, all of such

directors have taken all actions required to be taken prior to the execution of this Amendment in order to make the same binding upon the Car Dealer and DNA according to the terms hereof, and any and all action of the directors of the Car Dealer and DNA precedent to the execution of this Amendment have been undertaken and performed in the manner required by law.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

ARTICLE ONE

INCORPORATION OF RECITALS.

The findings, representations and agreements set forth in the above Recitals are material to this Amendment and are hereby incorporated into and made a part of this Amendment as though fully set out in this Article One, and constitute findings, representations and agreements of the Village and of the Car Dealer and DNA according to the tenor and import of the statements in such Recitals.

ARTICLE TWO

DEFINITIONS

For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Amendment shall have the meanings provided in the Original Redevelopment Agreement.

ARTICLE THREE

Section 7.2 of the Redevelopment Agreement shall be replaced in its entirety with the following provision:

7.2 Acquisition of Car Wash Property.

- A. The Village shall pay the first five hundred thousand (\$500,000.00) dollars towards the acquisition cost of the Car Wash Property. Thereafter the Village and DNA agree to share equally in the remaining acquisition cost of the Car Wash Property.
- B. As a result of DNA being unsuccessful in obtaining a contract to purchase the Car Wash Property, the Village has taken and agrees, at Village sole cost and expense, to continue to take the steps required to file a quick take condemnation action as provided in the Quick Take statute. The Village acknowledges and agrees that all timing obligations of the Car Dealer and DNA under Exhibit "F" of this Agreement, except the date in Exhibit "F" regarding "Occupancy Building, First C of O", shall be tolled by one (1) day for each one (1) day after May 30, 2008 that the Village does not hold title to the Car Wash Property before conveying the same to DNA. As a condition to the Village filing a quick take condemnation action, DNA agrees to place in escrow its share, consistent with paragraph A above, of the amount of funds that the Village offers in its quick take court complaint as the fair market value of the land and such escrow deposit shall consist of cash or an irrevocable letter of credit. At such time as the Court determines the amount of the preliminary just compensation for the

fair market value of the Car Wash Property, DNA shall either deposit funds into the escrow account sufficient to amount to DNA's share of the amount of the preliminary just compensation, or, if applicable, the Village shall reimburse DNA sufficient funds from the escrow so that the amount of the escrow equals DNA's share of the amount of the preliminary just compensation as ordered by the Court at the hearing vesting title in the Village. The Village further agrees to convey the Car Wash Property acquired by Village hereunder to DNA and DNA agrees to purchase and accept legal title to the Car Wash Property from the Village by special warranty deed upon the Closing, subject to **Article 15**, simultaneous with the payment to the Village of the amount deposited by DNA in escrow for such purpose. In the event that DNA fails to acquire the Car Wash Property after Village has approved the Planned Development and acquired the Car Wash Property by quick take condemnation action, one-half of DNA's share of the escrow amount held hereunder shall be released to DNA within five (5) business days. The balance of DNA's share of such escrow amount shall be released to DNA upon the Village's disposition of the Car Wash Property, subject to reduction by an amount equal to one-half of any loss incurred by the Village as a result of such disposition, exclusive of the Village's condemnation costs. In the event that DNA fails to acquire the Car Wash Property after Village has approved the Planned Development and acquired the Car Wash Property by quick take condemnation action, then DNA and/or Car Dealer shall pay

all Village costs incurred in filing and pursuing the quick take condemnation action including all attorneys fees. In the event that the Village has acquired the Car Wash Property by quick take condemnation action and, through no fault of DNA, the Village does not convey the Car Wash Property to DNA at the Closing under the terms of **Article 15**, the escrow amount held hereunder shall be released to DNA within five (5) business days. DNA acknowledges that the Village's quick take condemnation authority expires on January 1, 2012. Thereafter the Village will not have the authority to use quick take authority in the event condemnation is necessary to obtain title to the Car Wash Property.

ARTICLE FOUR

Section 7.3 of the Redevelopment Agreement shall be replaced in its entirety with the following provision:

7.3 Acquisition of Corner Property by Village. The Village represents that it purchased the Corner Property on June 26, 2007. Car Dealer and DNA acknowledge and agree that the existing restaurant facility known as Tore and Luke's Restaurant ("Restaurant"), shall have a right to remain on a portion of the Corner Property. Pursuant to a Real Estate Sale Contract between the Village and Rand Ridge LLC as sole beneficiary of Harris NA as Trustee under trust # HTB1547 and dated August 7, 2004, the Restaurant has a contractual duty to vacate the Corner Property no later than September 30, 2008 or the two hundred fifty thousand (\$250,000.00) dollar letter of credit held in escrow pursuant to Section 16 of said Real

Estate Sale Contract will be forfeited. All deeds to the Corner Property from the Village to DNA shall be subject to said Real Estate Sale Contract and the Village will assign to DNA all rights to the two hundred fifty thousand (\$250,000.00) dollar letter of credit escrow.

ARTICLE FIVE

Section 8.2 of the Redevelopment Agreement shall be replaced in its entirety with the following provision:

8.2 **TIF Funding.** This Agreement shall not constitute a debt of the Village within the meaning of any constitutions, statutory provision or limitation. TIF funds shall be disbursed to DNA in accordance with the terms of this Agreement. The Village shall provide TIF assistance to DNA in an amount not to exceed three (\$3,000,000.00) million dollars in cash in reimbursement of TIF Eligible Expenses incurred by DNA for the Project. Said payment by the Village to DNA shall be made annually on a "pay as you go" basis. The amount of the annual payments made by the Village to DNA shall be equal to fifty (50%) percent of the annual sales taxes received by the Village from the Project during the preceding year. No later than May 31st of each year, the Village shall reimburse DNA on the basis of fifty (50%) percent of the sales tax received by the Village in the preceding year, until DNA has received not more than Three Million Dollars (\$3,000,000.00) in cash, subject to DNA having spent sufficient TIF Eligible Expenses to justify said amount.

ARTICLE SIX

The second sentence of Section 8.4 of the Redevelopment Agreement shall be revised and amended to read as follow:

“In the event that Car Dealer fails to remain open for business in satisfaction of the foregoing requirement of this Section 8.4, DNA agrees that it shall not seek to reduce its real estate tax assessment based on vacancy in the building.”

ARTICLE SIX

Section 8.9 of the Redevelopment Agreement shall be replaced in its entirety with the following provisions:

8.9 Cash Payment. Based on DNA incurring expenses that are eligible under the Act, and Car Dealer and/or DNA providing proof of payment and paid receipts for said TIF Eligible Expenses, the Village shall reimburse DNA a sum not to exceed Three Million Dollars (\$3,000,000.00), not including any Village write-down of Property acquired by DNA. Said amount shall be paid pursuant to **Section 8.2** of this Agreement subject to the condition that DNA and/or the operator of the car dealership facility complete, execute and deliver to the Village an “Authorization to Release Sales Tax Information”, upon receipt of the Illinois Business Tax Number for the car dealership.

ARTICLE SEVEN

Section 9.3 of the Redevelopment Agreement shall be replaced in its entirety with the following provision:

9.3 Permit Application Deadlines. By, June 2, 2008, Car Dealer and/or DNA shall have applied for preliminary Planned Development approval and final Planned Development approval, which application the Village shall execute as land owner, if applicable. By September 1, 2008, or thirty (30) days after Planned Development approval whichever is later, Car Dealer and/or DNA shall have applied for (and made all submittal requirements in conformance with Village codes) a building permit for the construction of the Project in accordance with the Final Plans. Car Dealer and/or DNA shall proceed with the application for permits and construction of the Project on the Property in accordance with the schedule to be set forth in **Exhibit “F”** which Exhibit shall be agreed to among the Parties pursuant to **Section 9.7**. In the event that the Village does not adopt an ordinance granting a Planned Development for the Project on or before August 18, 2008, this Agreement shall be null and void at the election of Car Dealer and/or DNA, provided that all escrow funds shall be released to DNA pursuant to **Section 7.2**.

ARTICLE EIGHT

The first sentence of Section 9.4 shall be replaced in its entirety and be replaced with the following:

9.4 Construction Financing Deadline. Not more than thirty (30) days after the Village adopts a final ordinance granting Planned Development approval for the project, Car Dealer and DNA shall demonstrate to the Village's satisfaction through signed letters of intent or otherwise that Car

Dealer and DNA have sufficient funds to pay the cost of the Project and any other obligations of DNA and Car Dealer hereunder relating to the Property.

ARTICLE NINE

MISCELLANEOUS PROVISIONS

- 9.1 Time of the Essence. Time is of the essence of this Amendment.
- 9.2 Counterparts. This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Amendment.
- 9.3 Recordation of Amendment. The Parties agree to record this Amendment in the appropriate land or governmental records.
- 9.4 Severability. If any provision of this Amendment, or any Section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held to be invalid, the remainder of this Amendment shall be construed as if such invalid part were never included herein, and this Amendment shall be and remain valid and enforceable to the fullest extent permitted by law.
- 9.5 Successors in Interest. This Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective authorized successors and assigns.
- 9.6 No Joint Venture, Agency or Partnership Created. Nothing in this Amendment, or any actions of the Parties to this Amendment, shall be construed by the Parties or any third person to create the relationship of a partnership, agency or joint venture between or among such parties.

9.7 No Personal Liability of Officials of Village or Car Dealer and DNA. No covenant or agreement contained in this Amendment shall be deemed to be the covenant or agreement of the Mayor, Village Council member, Village Manager, any official, officer, partner, member, director, agent, employee or attorney of the Village or Car Dealer and DNA, in his or her individual capacity, and no official, officer, partner, member, director, agent, employee or attorney of the Village or Car Dealer and DNA shall be liable personally under this Amendment or be subject to any personal liability or accountability by reason of or in connection with or arising out of the execution, delivery and performance of this Amendment, or any failure in that connection.

9.8 Term. This Amendment shall remain in full force and effect for twenty-three (23) years from the date the Rand Road Redevelopment Project Area was created, unless the Redevelopment Plan with respect to the Redevelopment Project is extended or until termination of the Redevelopment Project Area or until otherwise terminated pursuant to the terms of this Amendment or the Original Redevelopment Agreement; provided, however, that the DNA and Car Dealer and DNA's construction obligations hereunder shall terminate pursuant to certificates of completion issued by the Village.

9.9 Municipal Limitations. All municipal commitments are limited to the extent required by law.

9.10 Conflicts. Wherever the terms and conditions of this Amendment conflict with the terms and conditions of the Redevelopment Agreement between the Parties, the terms and conditions of this Agreement shall control and govern.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed on or as of the day and year first above written.

VILLAGE OF PALATINE,
an Illinois municipal corporation

By: Mayor

ATTEST:

Margaret Best

By: Village Clerk

CAR DEALER:

ARLINGTON AUTOMOTIVE GROUP, INC.

By: Greg Vicari

Name: Greg Vicari

Its: President

DNA:

DNA REALTY, INC.

By: Greg Vicari

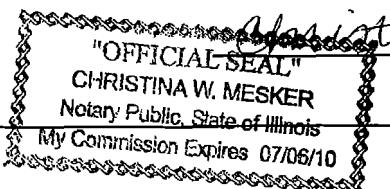
Name: Greg Vicari

Its: President

STATE OF ILLINOIS)
COUNTY OF COOK) SS)

I, Christina W. Mesker, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Gary Vicari, President of Arlington Automotive Group, Inc., an Illinois corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act as said President and as the free and voluntary act of said corporation for the uses and purposes therein set forth. GIVEN under my hand and Notarial Seal this 17 day of March, 2008.

My commission expires

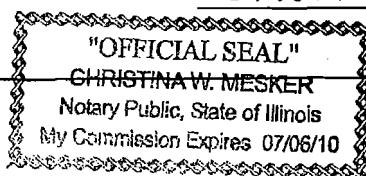


Notary Public

STATE OF ILLINOIS
COUNTY OF *COO*

I, Christina W. Mesker, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Gary Vicari, President of DNA Realty Inc., an Illinois corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act as said President and as the free and voluntary act of said corporation for the uses and purposes therein set forth. GIVEN under my hand and Notarial Seal this 17 day of March, 2008.

My commission expires



Notary Public

EXHIBIT F**Development Schedule**

Action	Target Date	Default Date	Penalty Amount
Apply for Planned Development Approval	06-02-2008	07-15-2008	
Apply for a Building Permit	09-01-2008	10-31-2008	\$25,000
Commence Demolition			
Submit Construction Financing Commitment & Development Budget			
Commence Environmental Remediation (if necessary)			\$10,000
Complete Demolition			
Close on the Property	08-01-2008	10-31-2008	
Obtain Foundation Permit & Commence Site Work			
Obtain Building Permit			\$25,000
Commence Foundation Construction			\$100,000
Complete Environmental Remediation (if necessary)			
Complete Foundation Installation			
Commence Vertical Construction			
Complete Shell & Core			\$100,000
Occupy Building, First Certificate of Occupancy	09-01-2009	12-01-2009	\$300,000



0826949044

Doc#: 0826949044 Fee: \$80.00

Eugene "Gene" Moore

Cook County Recorder of Deeds

Date: 09/25/2008 01:02 PM Pg: 1 of 23

ORDINANCE NO. 0-107-08

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE
A SECOND AMENDMENT TO THE REDEVELOPMENT AGREEMENT BETWEEN
THE VILLAGE OF PALATINE AND ARLINGTON AUTOMOTIVE GROUP, INC.**

),NS 02-02-203-009 THRU 014
02-02-203-020 THRU 022
02-02-203-035 AND 036
02-02-205-018

Village of Palatine
Village Clerk's Office
200 E. Wood Street
Palatine, IL 60067

**Published in pamphlet form by authority of the
Mayor and Village Council of the Village of Palatine
on August 4, 2008**

ORDINANCE NO. 0-107-08

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE
A SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT BETWEEN
THE VILLAGE OF PALATINE AND ARLINGTON AUTOMOTIVE GROUP, INC.**

WHEREAS, the Village of Palatine by Ordinance Nos. 0-23-03, 0-24-03, 0-25-03 and passed by the Mayor and Village Council on January 27, 2003 established a Tax Increment Financing District, adopted a Tax Increment Redevelopment Plan for Rand Road Corridor and designated a Redevelopment Project Area; and

WHEREAS, the Village of Palatine entered into a Redevelopment Agreement with Arlington Automotive Group, Inc. dated May 11, 2007 for the property located at the northeast corner of Rand and Hicks Roads; and

WHEREAS, on March 10, 2008 the Village Council passed Ordinance #0-30-08 authorizing the Mayor to execute a First Amendment to Redevelopment Agreement Arlington Automotive Group, Inc.; and

WHEREAS, the Mayor and Village Council have on August 4, 2008, considered the proposed Second Amendment to Redevelopment Agreement with Arlington Automotive Group, Inc., and have determined that entering into this Agreement furthers the purposes of the Tax Increment Financing District and the Redevelopment Plan for the Rand Road Corridor and furthers the public interest; and

7/30/2008 2:56 PM

STATE OF ILLINOIS)
COUNTY OF COOK)
} SS

I, MARGARET R. DUER, do hereby certify that I am the duly elected, qualified and acting Clerk of the Village of Palatine, Cook County, Illinois, and that I am the keeper of the records, journals, entries, ordinances and resolutions of the said Village of Palatine.

I do further certify that the foregoing Ordinance is a true and correct copy of an Ordinance passed and adopted by the Village Council of the Village of Palatine at a Regular meeting held on the 4 day of August, 2008, and that said ordinance was deposited and filed in the office of the Village Clerk on the 4 day of August, 2008.

I do further certify that the original of which the foregoing is a true copy, is entrusted to my care for safekeeping and that I am the keeper of the same.

I further certify that the vote of the Village Council on the motion to adopt said ordinance was as follows:

AYES: 6 NAYS: 0 ABSENT: 0 PASS: 0

BY WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of Palatine this 6th day of August, 2008.

(S E A L)


Margaret R. Duer
Palatine Village Clerk

SECOND AMENDMENT TO
REDEVELOPMENT AGREEMENT

THIS SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT (this "Amendment"), is made and entered into as of the 4 day of AUGUST, 2008 ("Amendment Date") by and between the VILLAGE OF PALATINE, ILLINOIS, an Illinois municipal home rule corporation, located in Cook County, Illinois (the "Village"), Arlington Automotive Group, Inc., an Illinois corporation (the "Car Dealer"), and DNA Realty, INC., an Illinois corporation ("DNA"). (Village and Car Dealer and DNA are sometimes referred to individually as a "Party" and collectively as the "Parties").

R E C I T A L S

WHEREAS, the Village is a home rule unit of government in accordance with Article VII, Section 6, of the Constitution of the State of Illinois, 1970; and

WHEREAS, the Village has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety and welfare of the Village and its inhabitants, to prevent the presence of blight, to encourage private development in order to enhance the local tax base, to increase additional tax revenues realized by the Village, foster increased economic activity within the Village, to increase employment opportunities within the Village, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes, and otherwise be in the best interests of the Village; and

WHEREAS, the Village is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act"), to

finance redevelopment in accordance with the conditions and requirements set forth in the Act; and

WHEREAS, the parties hereto previously entered into that certain Redevelopment Agreement dated as of the 11th day of May, 2007 and recorded on May 24, 2007 as Document # 0714449021 (the "Original Redevelopment Agreement"); and

WHEREAS, the parties hereto previously entered into that First Amendment to Redevelopment Agreement dated as of the 10th day of March, 2008 and recorded on March 24, 2008 as Document # 0808455006 (the "First Amendment"); and

WHEREAS, the parties now wish to amend Sections of the Original Redevelopment Agreement; and

WHEREAS, the First Amendment shall be null and void and totally replaced by this Second Amendment as provided herein below; and

WHEREAS, the terms of the Original Redevelopment Agreement shall remain in full force and effect except with respect to the Sections amended in this Second Amendment to the Original Redevelopment Agreement; and

WHEREAS, this Amendment has been submitted to the corporate authorities of the Village for consideration and review. The corporate authorities have taken all actions required to be taken prior to the execution of this Amendment in order to make the same binding upon the Village according to the terms hereof and any and all actions of the corporate authorities of the Village precedent to the execution of this Amendment have been undertaken and performed in the manner required by law; and

WHEREAS, this Agreement has been submitted to the directors of Car Dealer and directors of the DNA for consideration and review, all of such directors have taken all

actions required to be taken prior to the execution of this Amendment in order to make the same binding upon the Car Dealer and DNA according to the terms hereof, and any and all action of the directors of the Car Dealer and DNA precedent to the execution of this Amendment have been undertaken and performed in the manner required by law.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

ARTICLE ONE

INCORPORATION OF RECITALS.

The findings, representations and agreements set forth in the above Recitals are material to this Amendment and are hereby incorporated into and made a part of this Amendment as though fully set out in this Article One, and constitute findings, representations and agreements of the Village and of the Car Dealer and DNA according to the tenor and import of the statements in such Recitals.

ARTICLE TWO

DEFINITIONS

For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Amendment shall have the meanings provided in the Original Redevelopment Agreement.

ARTICLE THREE

Section 7.2 of the Redevelopment Agreement shall be replaced in its entirety with the following provision:

7.2 Acquisition of Car Wash Property.

- A. The Village shall pay two million five hundred thousand (\$2,500,000.00) dollars towards the acquisition cost of the Car Wash Property. DNA shall pay one million (\$1,000,000) dollars towards the acquisition of the Car Wash Property.
- B. The Village filed, at Village sole cost and expense, a quick take condemnation action as provided in the Quick Take statute. The Village acknowledges and agrees that all timing obligations of the Car Dealer and DNA are set forth in Exhibit "F" of this Agreement. On July 25, 2008 DNA placed in escrow nine hundred thirty seven thousand five hundred (\$937,500) dollars as part of its share of the amount of funds that the Village offered in its quick take court action as the fair market value of the land. DNA shall deposit an additional sixty two thousand five hundred (\$62,500) dollars into said escrow as its full and complete escrow deposit at the earlier of September 10, 2008, or upon one day notice from the Village of the Village's intent to deposit funds with Cook County for condemnation. The Village further agrees to convey the Car Wash Property acquired by Village hereunder to DNA and DNA agrees to purchase and accept legal title to the Car Wash Property from the Village by special warranty deed upon the Closing, subject to **Article 15**. Upon entry of a Order of Court in which preliminary and final compensation is determined, the amount deposited by DNA in escrow for DNA's share of the purchase price shall no longer be entitled to be withdrawn from the Escrow by DNA. The Parties agreed to amend the Escrow Instructions to clarify this change in terms. In the event that DNA fails to acquire the Car Wash Property after Village has approved the Planned Development and acquired the Car Wash Property by quick take condemnation

action, one-half of DNA's share of the escrow amount held hereunder shall be released to DNA within five (5) business days. The balance of DNA's share of such escrow amount shall be released to DNA upon the Village's disposition of the Car Wash Property, subject to reduction by an amount equal to one-half of any loss incurred by the Village as a result of such disposition, exclusive of the Village's condemnation costs. In the event that DNA fails to acquire the Car Wash Property after Village has approved the Planned Development and acquired the Car Wash Property by quick take condemnation action, then DNA and/or Car Dealer shall pay all Village costs incurred in filing and pursuing the quick take condemnation action including all attorneys fees. In the event that the Village has acquired the Car Wash Property by quick take condemnation action and, through no fault of DNA, the Village does not convey the Car Wash Property to DNA at the Closing under the terms of **Article 15**, the escrow amount held hereunder shall be released to DNA within five (5) business days. DNA acknowledges that the Village's quick take condemnation authority expires on January 1, 2012. Thereafter the Village will not have the authority to use quick take authority in the event condemnation is necessary to obtain title to the Car Wash Property.

ARTICLE FOUR

Section 7.3 of the Redevelopment Agreement shall be replaced in its entirety with the following provision:

7.3 Acquisition of Corner Property by Village. The Village represents that it purchased the Corner Property on June 26, 2007. Car Dealer and DNA acknowledge and agree that the existing restaurant facility known as Tore and Luke's Restaurant

("Restaurant"), shall have a right to remain on a portion of the Corner Property. Pursuant to a Real Estate Sale Contract between the Village and Rand Ridge LLC as sole beneficiary of Harris NA as Trustee under trust # HTB1547 and dated August 7, 2004, the Restaurant has a contractual duty to vacate the Corner Property no later than September 30, 2008 or the two hundred fifty thousand (\$250,000.00) dollar letter of credit held in escrow pursuant to Section 16 of said Real Estate Sale Contract will be forfeited. All deeds to the Corner Property from the Village to DNA shall be subject to the foregoing provisions of said Real Estate Sale Contract and the Village will assign to DNA all rights to the two hundred fifty thousand (\$250,000.00) dollar letter of credit escrow.

ARTICLE FIVE

Section 8.2 of the Redevelopment Agreement shall be replaced in its entirety with the following provision:

8.2 TIF Funding. This Agreement shall not constitute a debt of the Village within the meaning of any constitutions, statutory provision or limitation. TIF funds shall be disbursed to DNA in accordance with the terms of this Agreement. The Village shall provide TIF assistance to DNA in an amount not to exceed two million five hundred thousand (\$2,500,000.00) dollars in cash in reimbursement of TIF Eligible Expenses incurred by DNA for the Project. Said payment by the Village to DNA shall be made annually on a "pay as you go" basis. The amount of the annual payments made by the Village to DNA shall be equal to fifty (50%) percent of the annual sales taxes received by the Village from the Project during the preceding year. No later than May 31st of each year, the Village shall reimburse DNA on the basis of fifty (50%) percent of the sales tax

received by the Village in the preceding year, until DNA has received not more than Two Million Five Hundred Thousand (\$2,500,000.00) Dollars in cash, subject to DNA having spent sufficient TIF Eligible Expenses to justify said amount.

ARTICLE SIX

The second sentence of Section 8.4 of the Redevelopment Agreement shall be revised and amended to read as follow:

"In the event that Car Dealer fails to remain open for business in satisfaction of the foregoing requirement of this Section 8.4, DNA agrees that it shall not seek to reduce its real estate tax assessment based on vacancy in the building."

ARTICLE SIX

Section 8.9 of the Redevelopment Agreement shall be replaced in its entirety with the following provisions:

8.9 Cash Payment. Based on DNA incurring expenses that are eligible under the Act, and Car Dealer and/or DNA providing proof of payment and paid receipts for said TIF Eligible Expenses, the Village shall reimburse DNA a sum not to exceed Two Million Five Hundred Thousand (\$2,500,000.00) Dollars, not including any Village write-down of Property acquired by DNA. Said amount shall be paid pursuant to **Section 8.2** of this Agreement subject to the condition that DNA and/or the operator of the car dealership facility complete, execute and deliver to the Village an "Authorization to Release Sales Tax Information", upon receipt of the Illinois Business Tax Number for the car dealership.

ARTICLE SEVEN

Section 9.3 of the Redevelopment Agreement shall be replaced in its entirety with the following provision:

9.3 Permit Application Deadlines. On May 15, 2008, Car Dealer and/or DNA applied for preliminary Planned Development approval and final Planned Development approval, which application the Village executed as land owner. So long as the Village approves the Preliminary and Final Planned Development no later than August 11, 2008, Car Dealer and/or DNA shall, within thirty (30) days after Planned Development approval, have applied for (and made all submittal requirements in conformance with Village codes) a building permit for the construction of the Project in accordance with the Final Plans. Car Dealer and/or DNA shall proceed with the application for permits and construction of the Project on the Property in accordance with the schedule to be set forth in **Exhibit "F"**. In the event that the Village does not own or have a binding contract to acquire, or an Order of Court with a finding of preliminary compensation and/or final compensation which reflects the Village's binding legal right to control the Car Wash Property by September 15, 2008, this Agreement shall be null and void at the election of Car Dealer and/or DNA, provided that all escrow funds shall be released to DNA pursuant to **Section 7.2**.

ARTICLE EIGHT

The first sentence of Section 9.4 shall be replaced in its entirety and be replaced with the following:

9.4 Construction Financing Deadline. Not more than thirty (30) days after the Village adopts a final ordinance granting Planned Development approval for the project, Car Dealer and DNA shall demonstrate to the Village's satisfaction through signed letters of intent or otherwise that Car Dealer and DNA have sufficient funds to pay the cost of the Project and any other obligations of DNA and Car Dealer hereunder relating to the Property.

ARTICLE NINE

MISCELLANEOUS PROVISIONS

9.1 Time of the Essence. Time is of the essence of this Amendment.

9.2 Counterparts. This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Amendment.

9.3 Recordation of Amendment. The Parties agree to record this Amendment in the appropriate land or governmental records.

9.4 Severability. If any provision of this Amendment, or any Section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held to be invalid, the remainder of this Amendment shall be construed as if such invalid part were never included herein, and this Amendment shall be and remain valid and enforceable to the fullest extent permitted by law.

9.5 Successors in Interest. This Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective authorized successors and assigns.

9.6 No Joint Venture, Agency or Partnership Created. Nothing in this Amendment, or any actions of the Parties to this Amendment, shall be construed by the Parties or any third

person to create the relationship of a partnership, agency or joint venture between or among such parties.

9.7 No Personal Liability of Officials of Village or Car Dealer and DNA. No covenant or agreement contained in this Amendment shall be deemed to be the covenant or agreement of the Mayor, Village Council member, Village Manager, any official, officer, partner, member, director, agent, employee or attorney of the Village or Car Dealer and DNA, in his or her individual capacity, and no official, officer, partner, member, director, agent, employee or attorney of the Village or Car Dealer and DNA shall be liable personally under this Amendment or be subject to any personal liability or accountability by reason of or in connection with or arising out of the execution, delivery and performance of this Amendment, or any failure in that connection.

9.8 Term. This Amendment shall remain in full force and effect for twenty-three (23) years from the date the Rand Road Redevelopment Project Area was created, unless the Redevelopment Plan with respect to the Redevelopment Project is extended or until termination of the Redevelopment Project Area or until otherwise terminated pursuant to the terms of this Amendment or the Original Redevelopment Agreement; provided, however, that the DNA and Car Dealer and DNA's construction obligations hereunder shall terminate pursuant to certificates of completion issued by the Village.

9.9 Municipal Limitations. All municipal commitments are limited to the extent required by law.

9.10 Conflicts. Wherever the terms and conditions of this Amendment conflict with the terms and conditions of the Redevelopment Agreement between the Parties, the terms and conditions of this Agreement shall control and govern.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed on or as of the day and year first above written.

VILLAGE OF PALATINE,
an Illinois municipal corporation

By: Mayor

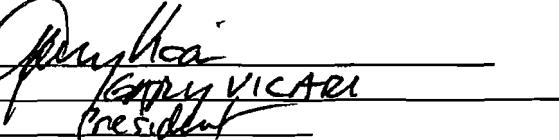
ATTEST:



By: Village Clerk

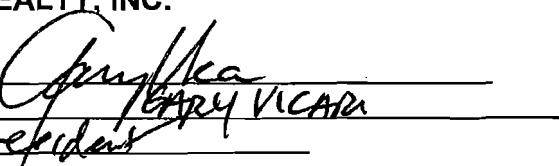
CAR DEALER:

ARLINGTON AUTOMOTIVE GROUP, INC.

By: 
Name: George Vicari
Its: President

DNA:

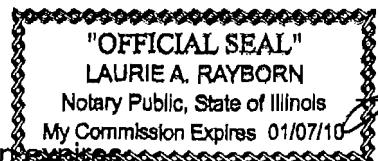
DNA REALTY, INC.

By: 
Name: George Vicari
Its: President

STATE OF ILLINOIS)
COUNTY OF Cook) SS

I, LAURIE A. RAYBORN, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that GARY VICARI, PRES. of Arlington Automotive Group, Inc., an Illinois corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act as said President and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 14 day of AUG., 2008.



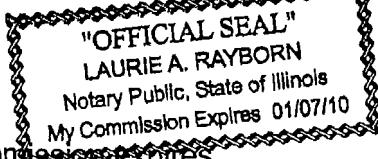
My commission expires 01/07/10.


Notary Public

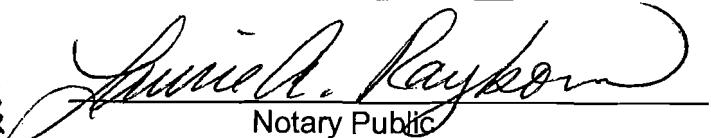
STATE OF ILLINOIS)
COUNTY OF Cook) SS

I, LAURIE A. RAYBORN, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that GARY VICARI, PRES. of DNA Realty Inc., an Illinois corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act as said President and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 14 day of AUG., 2008.



My commission expires 01/07/10.


Notary Public

STATE OF ILLINOIS)
COUNTY OF COOK) SS)

I, Sam TRAPAS, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Rita Mullins, Mayor of the Village of Palatine, an Illinois municipal corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said VILLAGE OF PALATINE, IL, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 14th day of August, 2008.

Notary Public

My commission expires 10/28/2008

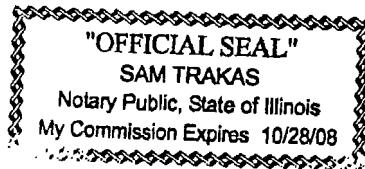


EXHIBIT F**Development Schedule**

Action	Target Date	Default Date	Penalty Amount
Apply for a Building Permit	09-01-2008	10-31-2008	\$25,000
Close on the Property	09-01-2008	10-31-2008	
Submit Construction Financing Commitment& Development Budget	09-01-2008	10-31-2008	
Obtain Foundation Permit & Commence Site Work	09-30-2008	11-30-2008	
Commence Demolition	10-01-2008	12-01-2008	
Commence Environmental Remediation (if necessary)	10-15-2008	12-15-2008	
Obtain Building Permit	10-26-2008	12-26-2008	\$25,000
Complete Demolition	10-30-2008	12-30-2008	
Commence Foundation Construction	10-30-2008	12-30-2008	\$100,000
Complete Environmental Remediation (if necessary)	11-28-2008	01-28-2009	
Complete Foundation Installation	11-30-2008	02-28-2009	
Commence Vertical Construction	02-15-2009	04-15-2009	
Complete Shell & Core	05-31-2009	07-31-2009	\$100,000
Occupy Building, First Certificate of Occupancy	09-01-2009	12-01-2009	\$300,000

LEGAL DESCRIPTION

02-02-205-018

LOT 1 IN PALATINE ASSEMBLAGE BEING A SUBDIVISION OF PART OF THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 2. TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED MARCH 22. 2004 AS DOCUMENT #0408244143 IN COOK COUNTY, ILLINOIS.

02-02-203-009

THAT PART OF SECTION 2 TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE EAST AND WEST 1/4 LINE OF SAID SECTION WITH THE CENTER LINE OF RAND ROAD; SAID INTERSECTION BEING 1514.39 FEET WEST OF THE EAST LINE OF SAID SECTION; MEASURED ON SAID EAST AND WEST 1/4 LINE; THENCE NORTHWESTERLY ALONG THE CENTER LINE OF RAND ROAD, SAID CENTER LINE FORMING AN ANGLE OF 47 DEGREES 00 MINUTES 30 SECONDS WITH THE EAST AND WEST 1/4 LINE OF SAID SECTION A DISTANCE OF 845.08 FEET TO THE POINT OF BEGINNING; THENCE NORtheasterly at right angles to RAND ROAD 418.57 FEET TO POINT THAT IS 416 FEET SOUTH OF THE NORTH LINE OF THE SOUTH 1/2 OF THE NORTH EAST 1/4 OF SAID SECTION; THENCE WEST PARALLEL TO THE NORTH LINE OF THE SOUTH 1/2 OF THE NORTH EAST 1/4 OF SAID SECTION 377.89 FEET TO A POINT IN THE CENTER LINE OF A HIGHWAY RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS AS DOCUMENT 1106B762; THENCE SOUTHWESTERLY ALONG THE CENTER LINE OF SAID HIGHWAY 155.68 FEET TO THE CENTER LINE OF RAND ROAD; THENCE SOUTHEASTERLY 199.75 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

02-02-203-010

THAT PART OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN. DESCRIBED AS FOLLOWS: BEGINNING AT INTERSECTION OF THE EAST AND WEST 1/4 LINE OF SAID SECTION WITH THE CENTER LINE OF RAND ROAD. SAID INTERSECTION BEING 1514.39 FEET WEST OF THE EAST LINE OF SAID SECTION, MEASURED ON SAID EAST AND WEST 1/4 LINE. THENCE NORtheasterly along the center line of RAND ROAD, SAID CENTER LINE FORMING AN ANGLE OF 47 DEGREES 00 MINUTES 30 SECONDS WITH THE EAST AND WEST 1/4 LINE OF SAID SECTION, A DISTANCE OF 745.08 FEET TO A POINT OF BEGINNING; THENCE NORtheasterly at right angles to RAND ROAD 334.31 FEET TO A POINT; THENCE NORTH PARALLEL TO EAST LINE OF SAID SECTION ON A LINE THAT FORMS AN ANGLE OF 47 DEGREES 28

MINUTES TO THE LEFT WITH A PROLONGATION OF THE LAST DESCRIBED COURSE, A DISTANCE OF 130.65 FEET TO A POINT THAT IS 416 FEET SOUTH OF THE NORTH LINE OF THE SOUTH 1/2 OF THE NORTH EAST 1/4 OF SAID SECTION; THENCE WEST PARALLEL TO THE NORTH LINE OF THE SOUTH 1/2 OF THE NORTH EAST 1/4 OF SAID SECTION, 5.55 FEET; THENCE SOUTHWESTERLY 418.57 FEET TO A POINT IN THE CENTER LINE OF RAND ROAD THAT IS 100 FEET NORTHWESTERLY OF POINT OF BEGINNING; THENCE SOUTHEASTERLY 100 FEET TO POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

02-02-203-011

THAT PART OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS; BEGINNING AT THE INTERSECTION OF THE EAST AND WEST 1/4 LINE OF SAID SECTION WITH THE CENTER LINE OF RAND RDAD, SAID INTERSECTION BEING 1514.39 FEET WEST OF THE EAST LINE OF SAID SECTION MEASURED ON SAID EAST AND WEST 1/4 LINE: THENCE NORTHWESTERLY ALONG THE CENTER LINE OF RAND ROAD. SAID CENTER LINE FORMING AN ANGLE OF 47 DEGREES 00 MINUTES 30 SECONDS WITH THE EAST AND WEST 1/4 LINE OF SAID SECTION, A DISTANCE OF 645.08 FEET TO A POINT OF BEGINNING: THEN NORTHEASTERLY AT RIGHT ANGLES TO RAND ROAD 242.52 FEET TO A POINT: THENCE NORTH PARALLEL TO EAST LINE OF SAID SECTION ON A LINE THAT FORMS AN ANGLE OF 47 DEGREES 2B MINUTES TO LEFT WITH A PROLONGATION OF THE LAST DESCRIBED COURSE, FOR A DISTANCE DF 135.74 FEET: THENCE SOUTHWESTERLY 334.31 FEET TO A POINT IN THE CENTER LINE OF RAND ROAD THAT IS 100 FEET NORTHWESTERLY OF POINT OF BEGINNING; THENCE SOUTHEASTERLY 100 FEET TO POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

02-02-203-012

THAT PART OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE EAST AND WEST 1/4 LINE OF SAID SECTION WITH THE CENTER LINE OF RAND ROAD, SAID INTERSECTION BEING 1514.39 FEET WEST OF THE EAST LINE OF SAID SECTION MEASURED ON SAID EAST AND WEST 1/4 LINE: THENCE NORTHWESTERLY ALONG THE CENTER LINE OF RAND ROAD, SAID CENTER LINE FORMING AN ANGLE OF 47 DEGREES NO MINUTES 30 SECONDS WITH THE EAST AND WEST 1/4 LINE OF SAID SECTION, A DISTANCE OF 545.08 FEET TO A POINT OF BEGINNING: THENCE NORTH WESTERLY ALONG CENTER LINE OF RAND ROAD 100 FEET: THENCE NORTH EASTERLY AT RIGHT ANGLES TO RAND ROAD 242.52; THENCE SOUTHWESTERLY ON A LINE THAT FORMS AN ANGLE OF 52 DEGREES,

36 MINUTES 30 SECONDS TO THE RIGHT WITH A PROLONGATION OF THE LAST DESCRIBED COURSE. FOR A DISTANCE OF 125.89 FEET: THENCE SOUTHWESTERLY 318.96 FEET TO A POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

02-02-203-013

THAT PART OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN BEGINNING AT THE INTERSECTION OF THE EAST AND WEST 1/4 LINE OF SAID SECTION WITH THE CENTER LINE OF RAND ROAD, SAID INTERSECTION BEING 1514.39 FEET WEST OF THE EAST LINE OF SAID SECTION MEASURED ON SAID EAST AND WEST 1/4 LINE; THENCE NORTHWESTERLY ALONG THE CENTER LINE OF RAND ROAD, SAID CENTER LINE FORMING AN ANGLE OF 47 DEGREES 00 MINUTES 30 SECONDS WITH THE EAST AND WEST 1/4 LINE OF SAID SECTION, A DISTANCE OF 445.08 FEET TO A POINT OF BEGINNING: THENCE NORTHWESTERLY ALONG THE CENTER LINE OF RAND ROAD 100 FEET: THENCE NORTH EASTERLY AT RIGHT ANGLES TO RAND ROAD 318.96: THENCE SOUTH EASTERLY ON A LINE THAT FORMS AN ANGLE OF 52 DEGREES 36 MINUTES 30 SECONDS TO THE RIGHT WITH A PROLONGATION OF THE LAST DESCRIBED COURSE. FOR A DISTANCE OF 125.89 FEET: THENCE SOUTHWESTERLY 395.40 FEET TO A POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

02-02-203-014

THAT PART OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS; BEGINNING AT THE INTERSECTION OF THE EAST AND WEST 1/4 LINE OF SAID SECTION MEASURED ON SAID EAST AND WEST 1/4 LINE THENCE NORTH WESTERLY ALONG THE CENTER LINE OF RAND ROAD, SAID CENTER LINE FORMING AN ANGLE OF 47 DEGREES 0 MINUTES 30 SECONDS WITH THE EAST AND WEST 1/4 LINE OF SAID SECTION, A DISTANCE OF 345.08 FEET TO A POINT OF BEGINNING: THENCE NORTH WESTERLY ALONG THE CENTER LINE OF RAND ROAD 100 FEET; THENCE NORTHEASTERLY AT RIGHT ANGLES TO RAND ROAD 395.40 FEET, THENCE SOUTH EASTERLY ON A LINE THAT FORMS AN ANGLE OF 52 DEGREES 36 MINUTES 30 SECONDS TO THE RIGHT WITH A PROLONGATION OF THE LAST DESCRIBED COURSE, FOR A DISTANCE OF 125.89 FEET; THENCE SOUTHWESTERLY 471.84 FEET TO A POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

02-02-203-035

THAT PART OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EAST AND WEST 1/4 LINE OF SAID SEC110N WITH CENTER LINE OF RAND ROAD: SAID INTERSECTION BEING 1514.39 FEET WEST OF THE EAST LINE OF SAID SEC110N AS MEASURED ON SAID EAST AND WEST 1/4 LINE: THENCE NORTHWESTERLY ALONG THE CENTER LINE OF SAID RAND ROAD, SAID CENTER FORMING AN ANGLE OF 47 DEGREES 0 MINUTES 30 SECONDS WITH THE EAST AND WEST 1/4 LINE OF SAID SECTION, A DISTANCE OF 245.08 FEET TO THE POINT OF BEGINNING; THENCE NORTHWESTERLY ALONG THE CENTER LINE OF SAID ROAD 100 FEET: THENCE NORTH EASTERLY AT RIGHT ANGLES TO RAND ROAD, 471.84 FEET: THENCE SOUTHEASTERLY ON A LINE THAT FORMS AN ANGLE OF 52 DEGREES 36 MINUTES 30 SECONDS TO THE RIGHT WITH A PROLONGATION OF THE LAST DESCRIBED COURSE FOR A DISTANCE OF 125.89 FEET: THENCE SOUTHWESTERLY 548.24 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

02-02-203-036

THAT PART OF SEC110N 2, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE EAST AND WEST 1/4 LINE OF SAID SECTION WITH CENTER LINE OF RAND ROAD; SAID INTERSECTION BEING 1514.39 FEET WEST OF THE EAST LINE OF SAID SEC110N AS MEASURED ON SAID EAST AND WEST 1/4 LINE; THENCE NORTHWESTERLY ALONG THE CENTER LINE OF SAID RAND ROAD, SAID CENTER FORMING AN ANGLE OF 47 DEGREES 0 MINUTES 30 SECONDS WITH THE EAST AND WEST 1/4 LINE OF SAID SEC110N, A DISTANCE OF 145.08 FEET TO THE POINT OF BEGINNING: THENCE NORTHWESTERLY ALONG THE CENTER LINE OF SAID ROAD 100 FEET: THENCE NORTH EASTERLY AT RIGHT ANGLES TO RAND ROAD, 548.24 FEET: THENCE SOUTHEASTERLY ON A LINE THAT FORMS AN ANGLE OF 52 DEGREES 36 MINUTES 30 SECONDS TO THE RIGHT WITH A PROLONGATION OF THE LAST DESCRIBED COURSE FOR A DISTANCE OF 125.89 FEET; THENCE SOUTHWESTERLY 624.72 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

02-02-203-020

THAT PART OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING ON THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 2 AFORESAID, 1622.10 FEET WEST OF THE NORTHEAST CORNER OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SEC110N: THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID SECTION: 416 FEET TO A PLACE OF BEGINNING; THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID SECTION 291.95 FEET;

THENCE NORTHWESTERLY ON A LINE THAT FORMS AN ANGLE OF 100 DEGREES 4-1/2 MINUTES TO THE RIGHT WITH A PROLONGATION OF THE LAST DESCRIBED COURSE FOR A DISTANCE OF 152.34 FEET; THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID SECTION 266.39 FEET; THENCE EAST PARALLEL TO THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION, 150 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

02-02-203-021

THAT PART OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS; BEGINNING ON THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 2 AFORESAID, 1547.19 FEET WEST OF THE NORTHEAST CORNER OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION: THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID SECTION: 416 FEET TO A PLACE OF BEGINNING: THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID SECTION 304.73 FEET: THENCE NORTHWESTERLY ON A LINE THAT FORMS AN ANGLE OF 100 DEGREES 4-1/2 MINUTES TO THE RIGHT WITH A PROLONGATION OF THE LAST DESCRIBED COURSE FOR A DISTANCE OF 76.17 FEET: THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID SECTION 291.95 FEET; THENCE EAST PARALLEL TO THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION, 75 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

02-02-203-022

THAT PART OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING ON THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 2 AFORESAID, 1472.19 FEET WEST OF THE NORTHEAST CORNER OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION: THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID SECTION: 416 FEET TO A PLACE OF BEGINNING: THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID SECTION 317.51 FEET: THENCE NORTHWESTERLY ON A LINE THAT FORMS AN ANGLE OF 100 DEGREES 4-1/2 MINUTES TO THE RIGHT WITH A PROLONGATION OF THE LAST DESCRIBED COURSE FOR A DISTANCE OF 76.17 FEET: THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID SECTION 304.73 FEET; THENCE EAST PARALLEL TO THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION, 75 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.



Doc#: 0826944045 Fee: \$60.00

Eugene "Gene" Moore

Cook County Recorder of Deeds

Date: 09/25/2008 01:03 PM Pg: 1 of 13

ORDINANCE NO. 0-114-08

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A FIRST AMENDMENT
TO REDEVELOPMENT AGREEMENT BETWEEN THE VILLAGE OF PALATINE AND
RAND RIDGE, LLC FOR THE PROPERTY AT
NORTHWEST CORNER OF RAND RD. AND SPRUCE DR.**

Pin 02-02-400-060

Village of Palatine
Village Clerk's Office
200 E. Wood Street
Palatine, IL 60067

Published in pamphlet form by authority of the
Mayor and Village Council of the Village of Palatine
on August 11, 2008

ORDINANCE NO. 0-114-08

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE
A FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT BETWEEN
THE VILLAGE OF PALATINE AND RAND RIDGE, LLC FOR THE PROPERTY AT
THE NORTHWEST CORNER OF RAND ROAD AND SPRUCE DRIVE**

WHEREAS, the Village of Palatine by Ordinance Nos. 0-23-03, 0-24-03, 0-25-03 and passed by the Mayor and Village Council on January 27, 2003 established a Tax Increment Financing District, adopted a Tax Increment Redevelopment Plan for Rand Road Corridor and designated a Redevelopment Project Area; and

WHEREAS, the Village of Palatine entered into a Redevelopment Agreement with Rand Ridge, LLC dated June 18, 2007 (Ordinance #0-102-07) for the property at the northwest corner of Rand Road and Spruce Drive; and

WHEREAS, the Mayor and Village Council have on August 11, 2008, considered the proposed First Amendment to Redevelopment Agreement with Rand Ridge, LLC, and have determined that entering into this Agreement furthers the purposes of the Tax Increment Financing District and the Redevelopment Plan for Downtown and furthers the public interest; and

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Village Council of the Village of Palatine, acting in the exercise of their home rule power that:

8/6/2008 7:48 AM

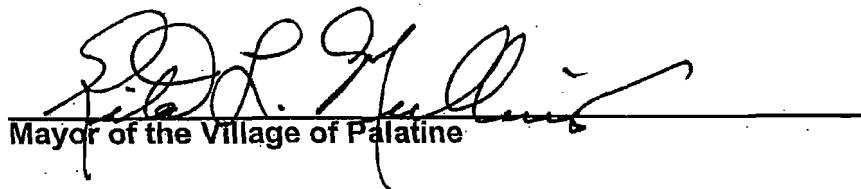
SECTION 1: The Village of Palatine hereby authorizes the Mayor to execute the First Amendment to the Redevelopment Agreement attached hereto as Exhibit "A", pursuant to the Tax Increment Financing Act, Section 65 ILCS 5/11-74/4-4(c) and authorizes the Mayor to execute any other supporting documents to the extent permitted by law.

SECTION 2: This Ordinance shall be in full force and effect upon passage and approval as provided by law.

PASSED: This 11 day of August, 2008

AYES: 4 NAYS: 0 ABSENT: 2 PASS: 0

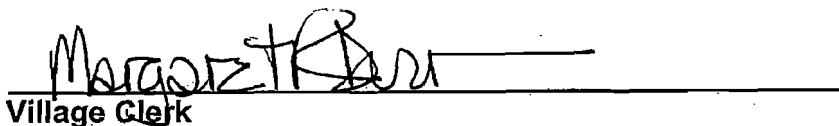
APPROVED by me 11 day of August, 2008



Mayor of the Village of Palatine

ATTESTED and FILED in the office of the Village Clerk

This 11 day of August, 2008



Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, MARGARET R. DUER, do hereby certify that I am the duly elected, qualified and acting Clerk of the Village of Palatine, Cook County, Illinois, and that I am the keeper of the records, journals, entries, ordinances and resolutions of the said Village of Palatine.

I do further certify that the foregoing Ordinance is a true and correct copy of an Ordinance passed and adopted by the Village Council of the Village of Palatine at a Regular meeting held on the 11 day of August, 2008, and that said ordinance was deposited and filed in the office of the Village Clerk on the 11 day of August, 2008.

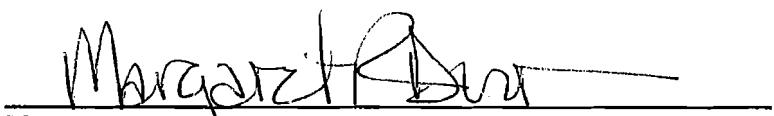
I do further certify that the original of which the foregoing is a true copy, is entrusted to my care for safekeeping and that I am the keeper of the same.

I further certify that the vote of the Village Council on the motion to adopt said ordinance was as follows:

AYES: 4 NAYS: 0 ABSENT: 2 PASS: 0

BY WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of Palatine this 14 day of August, 2008.

(S E A L)


Margaret R. Duer
Palatine Village Clerk

FIRST AMENDMENT TO
REDEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT (this "Amendment"), is made and entered into as of the 11 day of AUGUST, 2008 ("Amendment Date") by and between the VILLAGE OF PALATINE, ILLINOIS, an Illinois municipal home rule corporation, located in Cook County, Illinois (the "Village") and RAND RIDGE LLC, an Illinois limited liability company ("Developer"). (Village and Developer are sometimes referred to individually as a "Party" and collectively as the "Parties").

R E C I T A L S

WHEREAS, the Village is a home rule unit of government in accordance with Article VII, Section 6, of the Constitution of the State of Illinois, 1970; and

WHEREAS, the Village has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety and welfare of the Village and its inhabitants, to prevent the presence of blight, to encourage private development in order to enhance the local tax base, to increase additional tax revenues realized by the Village, foster increased economic activity within the Village, to increase employment opportunities within the Village, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes, and otherwise be in the best interests of the Village; and

WHEREAS, the Village is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*, as

amended (the "Act"), to finance redevelopment in accordance with the conditions and requirements set forth in the Act; and

WHEREAS, the parties hereto previously entered into that certain Redevelopment Agreement dated as of the 18th day of June, 2007 and approved on June 25, 2007 (the "Original Redevelopment Agreement"); and

WHEREAS, the parties now wish to amend Sections of the Original Redevelopment Agreement as provided herein below; and

WHEREAS, the terms of the Original Redevelopment Agreement shall remain in full force and effect and the terms of the Original Redevelopment Agreement except with respect to the Sections amended in this First Amendment to the Original Redevelopment Agreement; and

WHEREAS, this Amendment has been submitted to the corporate authorities of the Village for consideration and review. The corporate authorities have taken all actions required to be taken prior to the execution of this Amendment in order to make the same binding upon the Village according to the terms hereof and any and all actions of the corporate authorities of the Village precedent to the execution of this Amendment have been undertaken and performed in the manner required by law; and

WHEREAS, this Agreement has been submitted to the Managers of Developer for consideration and review, all of such Managers have taken all actions required to be taken prior to the execution of this Amendment in order to make the same binding upon the Developer according to the terms hereof, and any and all action of the Managers of the Developer precedent to the execution

of this Amendment have been undertaken and performed in the manner required by law.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

ARTICLE ONE

The findings, representations and agreements set forth in the above Recitals are material to this Amendment and are hereby incorporated into and made a part of this Amendment as though fully set out in this Article One, and constitute findings, representations and agreements of the Village and of the Developer according to the tenor and import of the statements in such Recitals.

ARTICLE TWO

For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Amendment shall have the meanings provided in the Original Redevelopment Agreement.

Notwithstanding the foregoing, the Definition of "Closing" shall be amended to read as follows:

"Closing" means on or before June 26, 2007, which is the date on which the Developer acquired title to the Property.

ARTICLE THREE

Section 7.1 of the Redevelopment Agreement shall be replaced in its entirety with the following provision:

7.1 Acquisition of Property by Developer.

Developer purchased from Village all of the Village's right, title and interest to the Property, pursuant to the Real Estate Contract attached as Exhibit "B" hereto. Pursuant to the Real Estate Contract, the Developer delivered to the Village a Two Hundred Fifty Thousand (\$250,000) Dollar Letter of Credit required by the Real Estate Contract.

ARTICLE FOUR

Section 8.3 is hereby deleted in its entirety.

A new Section 8.9 shall be created as follows:

8.9 **Recapture.** The Village shall, upon the request of Developer, reasonably consider adoption of a recapture ordinance allowing Developer to recoup a portion of its costs for any off-site improvements that benefit other properties.

ARTICLE FIVE

Section 9.3 of the Redevelopment Agreement shall be replaced in its entirety with the following provision:

9.3 **Permit Application Deadlines.** Developer shall proceed with application for permits and construction of the Project in accordance with the schedule set forth in **Exhibit D** hereto.

Section 9.20 of the Redevelopment Agreement shall be replaced in its entirety with the following provision:

9.20 **Shared Access.** The Village, as owner of the land located immediately to the north and west of the Property, and the Developer, as owner of the Property shall enter into a reciprocal easement agreement ("REA") (the terms of which shall be acceptable to the Village) which provides for shared costs

of the maintenance, repair and upkeep of the detention pond and entry drives to and from the Property along Rand Road and Spruce Drive. The REA will include provisions regarding storm water detention and drainage, shared access, shared parking, and curb cuts.

ARTICLE SIX

Section 10.2 shall be revised only insofar as a new Exhibit D, as attached hereto shall be the new construction schedule.

ARTICLE SEVEN

7.1 **Time of the Essence.** Time is of the essence of this Amendment.

7.2 **Counterparts.** This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Amendment.

7.3 **Recordation of Amendment.** The Parties agree to record this Amendment in the appropriate land or governmental records.

7.4 **Severability.** If any provision of this Amendment, or any Section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held to be invalid, the remainder of this Amendment shall be construed as if such invalid part were never included herein, and this Amendment shall be and remain valid and enforceable to the fullest extent permitted by law.

7.5 **Successors in Interest.** This Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective authorized successors and assigns.

7.6 **No Joint Venture, Agency or Partnership Created.** Nothing in this Amendment, or any actions of the Parties to this Amendment, shall be construed by the Parties or any third person to create the relationship of a partnership, agency or joint venture between or among such parties.

7.7 **No Personal Liability of Officials of Village or Developer.** No covenant or agreement contained in this Amendment shall be deemed to be the covenant or agreement of the Mayor, Village Council member, Village Manager, any official, officer, partner, member, director, manager, agent, employee or attorney of the Village or Developer, in his or her individual capacity, and no official, officer, partner, member, director, manager, agent, employee or attorney of the Village or Developer shall be liable personally under this Amendment or be subject to any personal liability or accountability by reason of or in connection with or arising out of the execution, delivery and performance of this Amendment, or any failure in that connection.

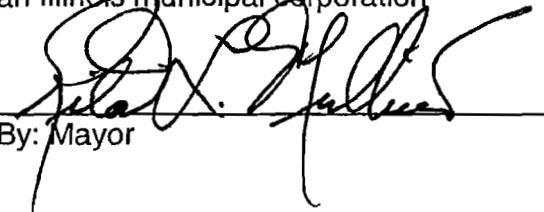
7.8 **Term.** This Amendment shall remain in full force and effect for twenty-three (23) years from the date the Rand Road Redevelopment Project Area was created, unless the Redevelopment Plan with respect to the Redevelopment Project is extended or until termination of the Redevelopment Project Area or until otherwise terminated pursuant to the terms of this Amendment or the Original Redevelopment Agreement; provided, however, that the Developer and Developer's construction obligations hereunder shall terminate pursuant to certificates of completion issued by the Village.

7.9 **Municipal Limitations.** All municipal commitments are limited to the extent required by law.

7.10 **Conflicts.** Wherever the terms and conditions of this Amendment conflict with the terms and conditions of the Redevelopment Agreement between the Parties, the terms and conditions of this Agreement shall control and govern.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed on or as of the day and year first above written.

VILLAGE OF PALATINE,
an Illinois municipal corporation


By: Mayor

ATTEST:


By: Village Clerk

RAND RIDGE L.L.C.

By: General partner
Name: Paula Capell
Its: _____

STATE OF ILLINOIS)
COUNTY OF Cook) SS
)

I, Marjorie Komora, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Carla Caputo, Gen Partners of Rand Ridge, L.L. C., an Illinois limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act as said Manager and as the free and voluntary act of said limited liability company for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 15 day of August, 2008.

Marjorie Komora
Notary Public

My commission expires 3-8-10

RCK/PALATINE/Rand Ridge RDA/Rand Ridge-1st Amend to RDA-08-06-08

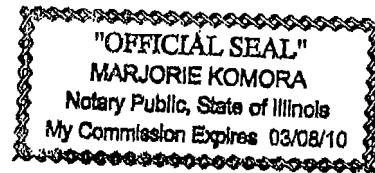


EXHIBIT D
DEVELOPMENT SCHEDULE

ACTION:	TARGET DATE	DEFAULT DATE	PENALTY
Apply for Preliminary and Final PUD Approval	Completed	Completed	None
Apply for Building Permit	Completed	Completed	None
Commence Construction	Completed	Completed	None
Building Fully Enclosed (Under Roof & with all Windows and Exterior Doors)	9/30/08	11/1/08	\$25,000
Complete the Project and Open for Business	12/1/08	12/31/08	\$125,000



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION

The Honorable Mayor
Members of the Village Council
Village of Palatine, Illinois

We have audited the accompanying schedule of revenues and other sources, expenditures and other financing uses and changes in fund balances of the Dundee Road and Rand/Dundee Tax Increment Financing District Fund, Downtown Tax Increment Financing District Fund, and the Rand Road Corridor Tax Increment Financing District Fund of the Village of Palatine, Illinois for the year ended December 31, 2008. These financial statements are the responsibility of the Village of Palatine, Illinois' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimated made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements present only the Dundee Road and Rand/Dundee Tax Increment Financing District Fund, Downtown Tax Increment Financing District Fund, and the Rand Road Corridor Tax Increment Financing District Fund and are not intended to present fairly the financial position and changes in financial position of the Village of Palatine, Illinois in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the changes in financial position of the Dundee Road and Rand/Dundee Tax Increment Financing District Fund, Downtown Tax Increment Financing District Fund, and the Rand Road Corridor Tax Increment Financing District Fund of the Village of Palatine, Illinois for the year ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Sikich LLP".

Aurora, Illinois
May 29, 2009

VILLAGE OF PALATINE, ILLINOIS

TAX INCREMENT FINANCING DISTRICTS FUNDS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCESFor the Year Ended
December 31, 2008

	Dundee Road and Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF
REVENUES AND OTHER FINANCING SOURCES			
Property taxes			
Rand/Dundee TIF	\$ 3,573,439	\$ -	\$ -
Downtown TIF	-	5,612,469	-
Rand Road Corridor TIF	-	-	3,198,105
Investment income	273,320	125,655	44,419
Miscellaneous	-	41,920	-
Total revenues	3,846,759	5,780,044	3,242,524
EXPENDITURES AND OTHER FINANCING USES			
Economic development			
Project expenditures	-	1,097,912	13,669,079
Land acquisition	-	1,936,736	-
Administration	-	257,602	142,206
Debt service			
Principal	7,555,000	2,349,337	2,285,739
Interest and fiscal charges	486,735	1,882,470	731,901
Total expenditures	8,041,735	7,524,057	16,828,925
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(4,194,976)	(1,744,013)	(13,586,401)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	1,230,159
NET CHANGES IN FUND BALANCES			
	(4,194,976)	(1,744,013)	(12,356,242)
FUND BALANCES, JANUARY 1	12,588,735	6,641,163	13,510,765
FUND BALANCES, DECEMBER 31	\$ 8,393,759	\$ 4,897,150	\$ 1,154,523

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

TAX INCREMENT FINANCING DISTRICTS FUNDS

SCHEDULE OF FUND BALANCES BY SOURCE

For the Year Ended
December 31, 2008

	Dundee Road and Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF
BEGINNING BALANCES, JANUARY 1, 2008	\$ 12,588,735	\$ 6,641,163	\$ 13,510,765
ADDITIONS			
Property taxes			
Dundee Road TIF	3,573,439	-	-
Downtown TIF	-	5,612,469	-
Rand Road Corridor TIF	-	-	3,198,105
Investment income	273,320	125,655	44,419
Proceeds from sale of capital assets	-	-	1,230,159
Miscellaneous	-	41,920	-
Total additions	3,846,759	5,780,044	4,472,683
BEGINNING BALANCES PLUS ADDITIONS	16,435,494	12,421,207	17,983,448
DEDUCTIONS			
Economic development			
Project expenditures	-	1,097,912	13,669,079
Land acquisition	-	1,936,736	-
Administration	-	257,602	142,206
Debt service			
Principal	7,555,000	2,349,337	2,285,739
Interest and fiscal charges	486,735	1,882,470	731,901
Total deductions	8,041,735	7,524,057	16,828,925
ENDING BALANCES, DECEMBER 31, 2008	\$ 8,393,759	\$ 4,897,150	\$ 1,154,523
ENDING BALANCES BY SOURCE			
Property taxes	\$ 4,642,271	\$ (891,836)	\$ (982,344)
Investment income	3,751,488	-	-
Investment in land held for resale	-	5,788,986	2,136,867
Subtotal	8,393,759	4,897,150	1,154,523
Less Surplus Funds	-	-	-
ENDING BALANCES, DECEMBER 31, 2008	\$ 8,393,759	\$ 4,897,150	\$ 1,154,523

(See independent auditor's report.)



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH PUBLIC ACT 85-1142

The Honorable Mayor
Members of the Village Council
Village of Palatine, Illinois

We have audited the basic, combining and individual fund financial statements of the Village of Palatine, Illinois, as of and for the year ended December 31, 2008, and have issued our separate report thereon dated May 29, 2009. These financial statements are the responsibility of the Village of Palatine, Illinois' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have also audited the Village of Palatine's compliance with the provisions of subsection (q) of Illinois Compiled Statutes 65 (ILCS) 5/11-74.43 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the year ended December 31, 2008, for the Dundee Road and Rand/Dundee Tax Increment Financing District Fund, Downtown Tax Increment Financing District Fund, and the Rand Road Corridor Tax Increment Financing District Fund. The management of the Village of Palatine, Illinois, is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Village of Palatine, Illinois' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Village of Palatine, Illinois, complied, in all material respects, with the requirements of subsection (q) of Illinois Compiled Statutes 65 (ILCS) 5/11-74.43 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the year ended December 31, 2008, for the Dundee Road and Rand/Dundee Tax Increment Financing District Fund, Downtown Tax Increment Financing District Fund, and the Rand Road Corridor Tax Increment Financing District Fund.

A handwritten signature in black ink that reads "Sikich LLP".

Aurora, Illinois
May 29, 2009