

**FY 2012  
ANNUAL TAX INCREMENT FINANCE  
REPORT**



STATE OF ILLINOIS  
COMPTROLLER  
JUDY BAAR TOPINKA

Name of Municipality: Village of Palatine Reporting Fiscal Year: **2012**  
County: Cook Fiscal Year End: **12/31/2012**  
Unit Code: 016/430/32

## **TIF Administrator Contact Information**

First Name: Reid	Last Name: Ottesen
Address: 200 E Wood Street	Title: Village Manager
Telephone: 847-359-9031	City: Palatine Zip: 60067
Mobile	E-mail findept@palatine.il.us
Mobile Provider	Best way to contact <input checked="" type="checkbox"/> x <input type="checkbox"/> Email <input type="checkbox"/> Phone <input type="checkbox"/> Mobile <input type="checkbox"/> Mail

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 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

R. J. Otter

June 17, 2013

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 ONE FOR EACH TIF DISTRICT**

\*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*:	Retail
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 <u>x</u> Industrial Jobs Recovery Law _____	

	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)]		
<b>If yes, please enclose the amendment labeled Attachment A</b>	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)]		
<b>Please enclose the CEO Certification labeled Attachment B</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)]		
<b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		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)]		
<b>If yes, please enclose the Activities Statement labeled Attachment D</b>		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)]		
<b>If yes, please enclose the Agreement(s) labeled Attachment E</b>		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)]		
<b>If yes, please enclose the Additional Information labeled Attachment F</b>	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)]		
<b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	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)]		
<b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>		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)]		
<b>If yes, please enclose the Official Statement labeled Attachment I</b>	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)]		
<b>If yes, please enclose the Analysis labeled Attachment J</b>	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)		
<b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		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)]		
<b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]		
<b>If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</b>	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.

Fund Balance at Beginning of Reporting Period

\$ 12,347,855

<b>Revenue/Cash Receipts Deposited in Fund During Reporting FY:</b>	<b>Reporting Year</b>	<b>Cumulative*</b>	<b>% of Total</b>
Property Tax Increment	\$ 2,736,497	\$ 24,796,648	47%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 3,306	\$ 359,661	1%
Land/Building Sale Proceeds	\$ 213,935	\$ 213,935	0%
Bond Proceeds	\$ -	\$ 25,625,000	48%
Transfers from Municipal Sources	\$ -	\$ 2,239,452	4%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

\*must be completed where 'Reporting Year' is populated

**Total Amount Deposited in Special Tax Allocation****Fund During Reporting Period**

\$ 2,953,738

**Cumulative Total Revenues/Cash Receipts**

\$ 53,234,696 100%

**Total Expenditures/Cash Disbursements** (Carried forward from Section 3.2)

\$ 5,555,497

**Distribution of Surplus**

\$ -

**Total Expenditures/Disbursements**

\$ 5,555,497

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS**

\$ (2,601,759)

**FUND BALANCE, END OF REPORTING PERIOD\***

\$ 9,746,096

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

**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

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**SECTION 3.2 A**

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PAGE 2

## SECTION 3.2 A

PAGE 3

## 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**

**FUND BALANCE, END OF REPORTING PERIOD** \$ 9,746,096

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

**Total Amount Designated for Obligations** **\$ 19,100,000** **\$ 17,300,000**

## 2. Description of Project Costs to be Paid

**Total Amount Designated for Project Costs** \$ -

**TOTAL AMOUNT DESIGNATED** \$ 17,300,000

**SURPLUS\*/(DEFICIT)** \$ (7,553,904)

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

**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)  
 PAGE 1

If <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area, indicate so in the space provided: _____
If Projects <b>WERE</b> undertaken by the Municipality Within the Redevelopment Project Area enter the <b>TOTAL</b> number of projects and list them in detail below. _____ 8 _____

**SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED IF PROJECTS ARE LISTED ON THESE PAGES**

<b>TOTAL:</b>	<b>11/1/99 to Date</b>	<b>Estimated Investment for Subsequent Fiscal Year</b>	<b>Total Estimated to Complete Project</b>
Private Investment Undertaken (See Instructions)	\$ 62,144,493	\$ -	\$ 62,144,493
Public Investment Undertaken	\$ 52,133,635	\$ 380,000	\$ 54,482,465
Ratio of Private/Public Investment	1 5/26		1 9/64

<b>Project 1:</b> Walmart			
Private Investment Undertaken (See Instructions)	\$ 36,094,493		\$ 36,094,493
Public Investment Undertaken	\$ 30,382,599	\$ -	\$ 30,382,599
Ratio of Private/Public Investment	1 3/16		1 3/16

<b>Project 2:</b> Foxfire/Caputo's			
Private Investment Undertaken (See Instructions)	\$ 3,300,000		\$ 3,300,000
Public Investment Undertaken	\$ 901,601		\$ 901,601
Ratio of Private/Public Investment	3 33/50		3 33/50

<b>Project 3:</b> Arlington Toyota			
Private Investment Undertaken (See Instructions)	\$ 10,000,000		\$ 10,000,000
Public Investment Undertaken	\$ 16,319,890	\$ 325,000	\$ 18,273,000
Ratio of Private/Public Investment	19/31		29/53

<b>Project 4:</b> Tore & Lukes			
Private Investment Undertaken (See Instructions)	\$ 1,500,000		\$ 1,500,000
Public Investment Undertaken	\$ 1,126,390		\$ 1,126,390
Ratio of Private/Public Investment	1 1/3		1 1/3

<b>Project 5:</b> 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 11/32		12 11/32

<b>Project 6:</b> Harley Davidson			
Private Investment Undertaken (See Instructions)	\$ 7,000,000		\$ 7,000,000
Public Investment Undertaken	\$ 3,152,355		\$ 3,152,355
Ratio of Private/Public Investment	2 15/68		2 15/68

<b>Project 7:</b> Toyota Used Cars			
Private Investment Undertaken (See Instructions)	\$ 1,900,000		\$ 1,900,000
Public Investment Undertaken	\$ 46,310	\$ 50,000	\$ 400,000
Ratio of Private/Public Investment	41 1/36		4 3/4

<b>Project 8:</b> Sonic Restaurant			
Private Investment Undertaken (See Instructions)	\$ 850,000		\$ 850,000
Public Investment Undertaken	\$ 82,970	\$ 5,000	\$ 125,000
Ratio of Private/Public Investment	10 23/94		6 4/5

<b>Project 9:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 10:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 11:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 12:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 13:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 14:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 15:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**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	Base EAV	Reporting Fiscal Year EAV
2003	\$ 53,566,271	\$ 85,518,511

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.

## 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:

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

## CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER

I, Jim 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, 2012 and ending December 31, 2012.



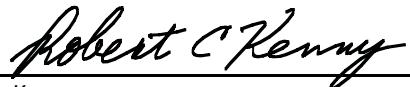
Jim Schwantz  
Mayor

6/17/13

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, 2012 and ending December 31, 2012, to the best of my knowledge and belief.



Robert C. Kenny  
Village Attorney



Date

## **Activities Undertaken in Furtherance of the Objectives of the Redevelopment Plan**

The Village sold a portion of property, which was originally acquired to help facilitate the relocation of Tore & Luke's restaurant and development of the Arlington Toyota dealership, to Firestone/Bridgestone for the development of a new car care facility. The building is currently under construction, and it is anticipated that business will open in the Spring of 2013.

The Village has continued its efforts in marketing the former Menard's site. In addition, the Village has been working with property owners from within the TIF in regards to the potential redevelopment opportunities.

PALATINE, IL  
420 Spruce Drive  
PN: 56703TEMP

## SALE AND PURCHASE CONTRACT

### DEFINITIONS AND TERMS

**PURCHASER:**

**BRIDGESTONE RETAIL OPERATIONS, LLC**, a Delaware limited liability company, or its nominees or assigns, with an address at 333 E. Lake Street, Bloomingdale, IL 60108 Attn.: Law Department, Real Estate Section.

**SELLER:**

**VILLAGE OF PALATINE**, an Illinois home rule municipal corporation whose address is 200 East Wood Street, Palatine, IL 60067.

**PROPERTY:**

A portion of Lot 1 in Palatine's Route 12 Subdivision, more commonly known as 420 Spruce Drive, Palatine, IL 60074. The property contains approximately 0.94 acres of land and is depicted as "Outlot B" on **Exhibit D** entitled "Preliminary Plat", attached hereto and incorporated herein, and includes all rights, easements and appurtenances thereto, including the right to drain into the detention pond on an adjacent parcel, and all buildings and improvements now located thereon (the "**Property**"). The preliminary legal description of the Property is attached hereto as **Exhibit A** and incorporated herein, but such legal description shall be updated, if necessary, upon receipt of the Survey pursuant to Section 3 of the Standard Terms and Condition attached hereto and upon receipt of any re-plat of the Property. The PIN of the Property is 02-02-400-083.

**PURCHASE PRICE:** Eight Hundred Forty Thousand and 00/100 Dollars (\$840,000.00).

**EARNEST MONEY:** Fifteen Thousand and 00/100 Dollars (\$15,000.00).

**EXISTING  
IMPROVEMENTS**

**REIMBURSEMENT:** Thirty Thousand and 00/100 Dollars (\$30,000.00).

**INFRASTRUCTURE**

**CREDIT:** Subject to Section 17 hereunder, Seventy Nine Thousand Six Hundred Forty Dollars (\$79,640.00).

**EFFECTIVE DATE:**

October 26, 2011 (the date this Contract has been fully executed by, and delivered to both, Purchaser and Seller).

**INSPECTION**

**PERIOD:**

Commencing on the Effective Date and continuing for Ninety (90) days thereafter, as it may be extended pursuant to the terms of the Standard Terms and Conditions attached to this Sale and Purchase Contract (this "**Contract**").

**APPROVAL  
PERIOD:**

One Hundred Fifty (150) days following end of the Inspection Period, with one (1) thirty (30) day extension period thereafter as provided in **Section 4(c)** of the Standard Terms and Conditions attached to this Contract.

**SELLER'S  
BROKER:**

Bradford Group (John Schoditsch)

**PURCHASER'S  
BROKER:** Newmark Knight Frank (Greg Kirsch)

**ESCROW AGENT:** First American National Commercial Division (the "Escrow Agent")  
Attention: Kathy Smith  
2626 Howell Street, 10th Floor  
Dallas, Texas 75204  
Phone: (214) 855-8893  
Fax: (214) 855-8848

**TITLE COMPANY:** First American Title Insurance Company  
c/o Republic Title of Texas, Inc. (the "Title Company")  
Attention: Kathy Smith  
2626 Howell Street, 10th Floor  
Dallas, Texas 75204  
Phone: (214) 855-8893  
Fax: (214) 855-8848

**STANDARD TERMS**

**AND CONDITIONS:** The Standard Terms and Conditions attached hereto are made a part of this Contract and are hereby fully incorporated herein.

IN WITNESS WHEREOF, the undersigned have executed this Contract as of the date set forth below.

**PURCHASER:**

**BRIDGESTONE RETAIL OPERATIONS, LLC,**  
a Delaware limited liability company

By: James M. Blecha  
James M. Blecha, Director Real Estate  
BS Assets and New Store Development

Date: October 19, 2011

**SELLER:**

**VILLAGE OF PALATINE,**  
an Illinois home rule municipal corporation

By: Reid T. Otteson  
Name: Reid T. Otteson  
Its: Village Manager

Date: October 20, 2011

The undersigned hereby acknowledges the receipt of a fully executed copy of this Contract this 25<sup>th</sup> day of October, 2011, and agrees to comply with all of the terms hereof, including, but not limited to, those regarding the Earnest Money deposited with the undersigned pursuant to the terms and provisions hereof.

**ESCROW AGENT:**

**FIRST AMERICAN NATIONAL COMMERCIAL DIVISION**

By: Bo Feagin (lks)  
Print Name: **Bo Feagin**  
Title: **Vice President**

## STANDARD TERMS AND CONDITIONS

1. **SALE:** Seller agrees to sell and Purchaser agrees to purchase the Property, upon the terms and conditions contained in this Contract.

2. **EARNEST MONEY; PURCHASE PRICE:** Within five (5) business days after the Effective Date, Purchaser will deposit the Earnest Money with Escrow Agent. The Earnest Money shall be held by Escrow Agent as escrowee in an interest-bearing escrow account, with such investment as Purchaser may designate, with interest payable to Purchaser. If the sale and purchase of the Property is consummated pursuant to the terms of this Contract, the Earnest Money shall be paid to Seller at Closing in addition to the Purchase Price, but the Earnest Money shall not be applied to the Purchase Price at Closing. Further, the Earnest Money shall be payable to Purchaser (a) no later than five (5) days after written direction of Purchaser delivered to Seller and Escrow Agent given during the Inspection Period or the Approval Period, or (b) following any termination of this Contract for reasons other than a default by Purchaser, or (c) otherwise upon the joint direction of Purchaser and Seller.

In addition to the credits, adjustments and prorations described in Section 9 below, Purchaser shall receive a credit against the Purchase Price at Closing in the amount of the Infrastructure Credit, but shall also pay to Seller the Existing Improvements Reimbursement at Closing, all of which will be paid through escrow by wire transfer of immediately available funds at Closing (defined below) in accordance with the terms and provisions of this Contract. Notwithstanding anything to the contrary, whenever this Contract provides for the return of the Earnest Money to Purchaser, a payment of One Hundred and 00/100 Dollars (\$100.00) shall be simultaneously paid from the Earnest Money to Seller.

3. **TITLE AND SURVEY:** Purchaser has ordered a preliminary title commitment for a 2006 ALTA owner's policy with extended coverage from Title Company, in either the full amount of the Purchase Price plus the Earnest Money, or a minimum value to be increased to the full amount of the Purchase Price plus the Earnest Money prior to Closing, together with copies of all underlying title documents (together, the "**Commitment**"). Purchaser has also ordered a survey of the Property from a local surveyor selected by Purchaser and in such form and containing such detail and certifications as Purchaser may specify (the "**Survey**"). Seller shall pay for the cost of the Commitment, the Survey and the Title Policy (defined below), provided Seller's maximum obligation for such costs shall not exceed \$5,000.00.

If either the Commitment or Survey discloses any matters not acceptable to Purchaser, in its sole discretion, Purchaser shall so notify Seller, and Seller shall then have fifteen (15) days from the date of Purchaser's notice (such notice is referred to herein as the "**Title Objection Letter**") to either (i) attempt to cure such defects in a manner acceptable to Purchaser; (ii) commit, in writing, to cure such defects in a manner acceptable to Purchaser (in which event the cure committed to shall be deemed an affirmative covenant made by Seller to Purchaser pursuant to this Contract); or (iii) elect not to cure any matter, issue or defect; *provided however*, notwithstanding anything in this **Section 3** to the contrary, any mortgage, deed of trust or other lien of definite or ascertainable amount capable of cure by the payment of money (other than the lien of real estate taxes not yet due and payable for which a proration is being given to Purchaser pursuant to this Contract) shall, without notification of objection by Purchaser, be deemed unacceptable matters and shall be cured by Seller on or before Closing by the payment or escrow of sufficient funds or other means acceptable to Purchaser so as to cause Title Company to insure over such matter, *provided, however*, if such matter exceeds the amount of the Purchase Price, or is not caused by Seller, Seller shall have the option, upon written notice to Purchaser delivered within fifteen (15) days of receipt of the Title Objection Letter, to terminate this Contract, and, this Contract shall, thereafter, be null and void and of no further force or effect except that any and all Earnest Money shall be returned to Purchaser and the parties shall have no further obligations to one another. Seller shall give written notice to Purchaser as to Seller's election contained in this Section 3 within fifteen (15) days of receipt of the

Title Objection Letter. If Seller does not cure, and is unwilling or unable to commit to cure such objections in a manner acceptable to Purchaser, or does not terminate this Contract as provided in this **Section 3**, within fifteen (15) days from Seller's receipt of the Title Objection Letter, Purchaser may terminate this Contract at any time thereafter, or may, at its election, take title as it then is with the right to deduct liens or encumbrances of a definite or ascertainable amount from the Purchase Price, upon giving Seller notice of such election and tendering performance on its part.

At Closing, Seller shall: (i) convey marketable title to the Property to Purchaser, or its nominee, as disclosed in writing to Seller by Purchaser not less than ten (10) days prior to Closing, by recordable special warranty deed (the "**Deed**"); and (ii) cause to be delivered to Purchaser, at Seller's expense, a 2006 ALTA owner's title policy with extended coverage issued by Title Company in the full amount of the Purchase Price (the "**Title Policy**"), subject only to those title or survey matters to which Purchaser has not objected or expressly elected to take subject to. The Title Policy may contain such additional endorsements as deemed necessary by Purchaser (the "**Endorsements**") and in such form as Purchaser may specify, provided however, such Endorsements shall be Purchaser's sole obligation to obtain, at Purchaser's sole cost and expense.

At Closing, Seller also shall furnish Purchaser in forms reasonably acceptable to Purchaser an affidavit of title, ALTA statement (or other owner's certification or affidavit required by Title Company), non-foreign affidavit (pursuant to Section 1445 of the Internal Revenue Code), written evidence of due organization and of the authority of the person signing the Deed to execute and deliver the Deed, as required by Title Company in order to issue the Title Policy to Purchaser without exception for matters that would otherwise be raised pertaining to the organization and authority of the fee owner of the Property to convey to Purchaser, state and local transfer declarations, a personal undertaking for coverage in the gap between the effective date of the Commitment and the date of recording of the Deed (if required by Title Company), evidence of payment by Seller of all brokerage commissions due and owing to Broker(s) together with lien waivers from the Broker(s) and any other brokers claiming by or through Seller, and such other documents as Purchaser, Escrow Agent or Title Company shall require to close this transaction, as provided for in this Contract.

#### 4. PURCHASER'S INSPECTION:

(a) **Inspection Period.** From and after the Effective Date through Closing, Purchaser shall have the right, but not the obligation, to take all steps necessary, in Purchaser's sole and absolute discretion, to undertake site, engineering, appraisal, feasibility, environmental, and such other inspections of the Property as Purchaser deems necessary and to examine title to and zoning of the Property and evaluate the physical condition and feasibility of the Property for Purchaser's proposed use as a tire sales business and/or an automotive service and repair business, including, without limitation, the sale, service, repair and installation of tires, motor vehicle parts and accessories, oil and its derivatives, automobile supplies and furnishings; and such other uses as may be necessary or incidental thereto, or for such other lawful use as Purchaser may specify (the "**Intended Use**"), subject to Section 5 below. Seller agrees to cooperate with such efforts by Purchaser through the Closing.

In the event Purchaser is not completely satisfied with all aspects of the physical condition and feasibility of the Property, in its sole and absolute discretion, within the Inspection Period, Purchaser may, by written notice delivered to Seller on or before the expiration of the Inspection Period, terminate this Contract in which event the Earnest Money shall be immediately returned to Purchaser by Escrow Agent, without necessity for consent or approval by Seller, and the parties shall be released from further liability. If Purchaser fails to give Seller written notice terminating this Contract prior to the expiration of the Inspection Period, then Purchaser shall be deemed to have waived its right to terminate this Contract pursuant to this **Section 4(a)**.

(b) **Reciprocal Easement Agreement.** Within thirty (30) days after the Effective Date, Seller shall prepare and present to Purchaser a proposed set of covenants, conditions, restrictions, and easements (the “Declaration”) for the Property (shown as Lot 1 on **Exhibit B** attached hereto) and the adjacent parcels (shown as Lot 2, Lot 3 and Detention on **Exhibit B** attached hereto). Lot 1, Lot 2, Lot 3 and the Detention parcel are sometimes referred to herein as “Parcels”. The Declaration will incorporate the provisions set forth on **Exhibit C** attached hereto, as well as such other provisions as Purchaser, Seller and the owner of Lot 3 may agree upon during the Inspection Period.

Purchaser and Seller shall use commercially reasonable efforts to agree upon the form and substance of the Declaration during the first sixty (60) days of the Inspection Period. Once Purchaser and Seller agree upon the form and substance of the Declaration, Seller shall have the remainder of the Inspection Period to use commercially reasonable efforts to obtain the agreement of the Lot 3 Owner to the Declaration and to have the Lot 3 Owner execute the final, agreed upon Declaration and deliver such executed Declaration to the Escrow Agent for recording at Closing.

In the event that the parties have not reached agreement as to the final form of the Declaration prior to the expiration of the initial Inspection Period, or if Seller requires additional time to have the Lot 3 Owner agree upon and execute the final, agreed upon Declaration, then either party may extend the Inspection Period for an additional sixty (60) day period solely to agree upon the final form of the Declaration or to obtain Lot 3 Owner’s agreement and execution of the Declaration, by advising the other party in writing (the “**Extension Notice**”) on or before the date of the initial expiration of the Inspection Period. If either party timely delivers an Extension Notice, then the Inspection Period shall automatically be deemed extended for an additional sixty (60) days solely for the purpose of agreeing upon the final form of the Declaration or to obtain Lot 3 Owner’s agreement and execution of the Declaration.

If Purchaser or Seller does not approve the Declaration prior to the expiration of the Inspection Period (as the same may be extended), or if Seller has not obtained the final, agreed upon Declaration executed by the Lot 3 Owner by the expiration of the Inspection Period (as the same may be extended) then Purchaser or Seller may terminate this Contract by giving written notice to the other party on or before the expiration of the Inspection Period (as the same may be extended), in which event the Earnest Money and all additional deposits in escrow shall be immediately returned to Purchaser by the Escrow Agent, without the necessity for consent or approval by Seller, and the parties shall be released from further liability.

(c) **Approval Period.** Following the end of the Inspection Period, Purchaser shall have the Approval Period in which to obtain all permits, variances, subdivisions, re-zonings, plats of subdivision, and any other municipal and private approvals (collectively, herein the “**Approvals**”) deemed by Purchaser to be necessary for Purchaser to construct, develop, and operate the Property for the Intended Use or for such other lawful use as Purchaser may specify. Subject to Section 4(d) hereunder, Seller shall cooperate with Purchaser in obtaining such Approvals, including, without limitation, executing such applications, plats and other documents as reasonably necessary in connection with obtaining such Approvals. Seller shall pay all costs associated with any required subdivisions and platting or re-platting as set forth in **Section 4(g)** below. Purchaser shall have the unilateral right to extend the Approval Period for one (1) period of thirty (30) days upon written notice to Seller at any time prior to the expiration of the then-current Approval Period for the sole purpose of obtaining the Approvals.

If Purchaser is unable to obtain all of the Approvals deemed necessary by Purchaser, in Purchaser’s sole discretion, in form acceptable to Purchaser prior to the end of the Approval Period (as it may have been extended pursuant to this **Section 4(c)**), then Purchaser may, by written notice delivered to Seller on or before the expiration of the Approval Period, as extended, if at all, terminate this Contract at any time prior to the end of the Approval Period (as it may have been extended pursuant to this Section

4(c)), in which event the Earnest Money shall be immediately returned to Purchaser by Escrow Agent, without necessity for consent or approval by Seller, and the parties shall be automatically released from further liability without further action by either party. If Purchaser fails to give Seller written notice terminating this Contract prior to the expiration of the Approval Period (as the same may be extended), then Purchaser shall be deemed to have waived its right to terminate this Contract pursuant to this **Section 4(c)**.

Purchaser shall diligently pursue obtaining the Approvals and any and all costs and expenses incurred in connection with obtaining such Approvals (except as set forth in **Section 4(g)**, hereinbelow) shall be borne by Purchaser. Seller shall reasonably cooperate with Purchaser and shall execute all documents reasonably required by Purchaser in connection therewith in compliance with all applicable governmental laws, ordinances and regulations.

(d) **Zoning Approval.** The Property zoning classification does not currently permit the operation of a business for the Intended Use. Purchaser shall seek a change in the zoning classification of the Property to a new classification that will allow for the operation of a business on the Property for the Intended Use with only such conditions or limitations as are deemed acceptable by Purchaser in its sole discretion. The zoning approvals for the Property shall include an obligation on Purchaser to construct, at its sole cost and expense, a monument sign ("Sign") to be located on the Rand Road frontage, which Sign shall include either: (i) the ability to add a panel to the Sign in the future to identify the Seller's remaining Lot (Outlot C) and any future use of that Lot, with such panel to be of such size, location and design as to be mutually agreeable to Seller and Purchaser; or (ii) such Sign to be constructed with a vacant panel in place with such panel to be of such size, location and design as to be mutually agreeable to Seller and Purchaser, to identify the Seller's remaining Lot (Outlot C) and any future use of that Lot. The terms and conditions of the construction, repair and maintenance of the Sign shall be further set forth in the Declaration. Notwithstanding anything contained herein to the contrary, Seller and Purchaser understand, acknowledge and agree that the Village of Palatine, in its municipal capacity, may require such conditions or limitations to any approval of any change in the zoning classification of the Property or in considering granting any Approvals, as it deems necessary for the good of the municipality, and, in the event Purchaser does not agree with such conditions or limitations, Purchaser's sole and exclusive remedy shall be to terminate this Contract on or before the expiration of the Approval Period, pursuant to this **Section 4(d)**. Purchaser shall promptly pursue such zoning reclassification in accordance with the normal process required by any and all applicable governmental ordinances, including, but not limited to the zoning ordinances of the Village of Palatine. If Purchaser is unable to obtain such zoning reclassification within the Approval Period, then Purchaser, shall, by written notice given to Seller prior to the expiration of the Approval Period, either (i) terminate this Contract in which event the Earnest Money shall be immediately returned to Purchaser by Escrow Agent, without the necessity for consent or approval by Seller, and the parties shall be released from further liability, or (ii) waive this condition. Purchaser and Seller agree to reasonably cooperate with each other to provide such information, take such action(s) and execute such documents as may be necessary to obtain any such zoning reclassification. If Purchaser fails to give Seller written notice terminating this Contract prior to the expiration of the Approval Period (as the same may be extended), then Purchaser shall be deemed to have waived its right to terminate this Contract pursuant to this **Section 4(d)**. Purchaser understands, acknowledges and agrees that the Village of Palatine, in its municipal capacity, is not and cannot give any assurances or guarantees of Purchaser obtaining any Approvals and/or obtaining any approval of any change in the zoning classification of the Property.

(e) **Environmental Investigation.** In the event that Purchaser's investigation of the Property reveals non-compliance with or violation of any environmental law or regulation, then Purchaser shall have the right, upon written notice to Seller, to terminate this Contract, and thereupon Purchaser shall be entitled to (a) the immediate return of the Earnest Money, and (b) reimbursement of Purchaser's out-of-pocket costs and expenses in pursuing the Property, not to exceed Fifteen Thousand and 00/100

Dollars (\$15,000.00), as Purchaser's sole, exclusive remedy, in lieu of any other remedy at law or in equity.

(f) **Seller's Materials.** Not later than five (5) business days following the Effective Date, Seller shall deliver to Purchaser any and all documents, reports, studies and audits relating to the Property in Seller's possession or control, including without limitation, (i) existing surveys (including legal descriptions); (ii) soils reports; (iii) geotechnical studies; (iv) engineering studies and test reports/results; (v) title policies and commitments and related documents (including back-up documents); (vi) permits; (vii) governmental notices; (viii) any information regarding the environmental condition of the Property, including environmental studies, test results and reports; (ix) tax information (including tax bills for the previous three (3) years); (x) operating expense information for the previous three years (including invoices for common area maintenance and similar charges); and (xi) any reports prepared by third parties with respect to the condition of the Property (collectively, "Seller's Materials").

(g) **Platting.** Purchaser and Seller understand, acknowledge and agree that after the Effective Date of this Contract, it shall be Seller's obligation to obtain a Preliminary and Final Subdivision Plat approval for the entire Property ("Final Plat Approval") from the applicable governmental authorities to conform to the terms and conditions of this Agreement. Seller shall, at Seller's sole discretion, select the company to be used for the platting ("Platting Company"). Seller shall be responsible for, and shall pay any and all expenses related to or concerning the Platting Company associated with obtaining Final Plat Approval. The Seller shall cause the Platting Company to timely submit all necessary materials and documentation required pursuant to any and all ordinances, codes and regulations to the applicable governmental authorities for initial review by the applicable governmental authorities during the first thirty (30) days of the Approval Period. Upon receipt of comments by the Platting Company, the Seller shall cause the Platting Company to respond to such comments on or before thirty (30) days after receipt. Any application and submittal of the Preliminary Plat by Seller for Final Plat Approval shall be substantially in the form as set forth on **Exhibit D** attached hereto and incorporated herein ("Preliminary Plat"). Any changes to the Preliminary Plat which are proposed shall be subject to the prior written approval of both Purchaser and Seller, which may not be unreasonably withheld or delayed. Purchaser shall fully cooperate with Seller in an effort to obtain the Final Plat Approval, which cooperation shall include, but not be limited to execution and delivery of any reasonably required or necessary documentation. Seller shall use commercially reasonable efforts to obtain Final Plat Approval within the first ninety (90) days of the Approval Period. All of the costs associated with the Final Plat Approval shall be borne by Seller. All of the costs associated with the final engineering approval, permitting and, except as may otherwise be set forth herein, the cost of the construction and installation of any subdivision improvements specifically applicable to and pertaining to the Intended Use, including, but not limited to the posting of any required bond or security, shall be paid by Purchaser. Purchaser shall also be responsible for any fees required which are specifically associated with and appended to any application for a building permit for the Property. The undertakings of this **Section 4(g)** shall survive the Closing. At least thirty (30) days before Closing, Seller shall obtain all required signatures on the final approved Plat and the final approved Plat, once fully executed, shall be recorded at Closing at the sole cost of Seller.

5. **RIGHT OF ENTRY:** Seller hereby grants to Purchaser, its agents and contractors, the right to enter upon the Property to perform any and all due diligence testing and inspections, including, without limitation, obtaining the survey, environmental testing and assessments, soil tests, geotechnical studies, and any other tests or studies deemed necessary by Purchaser to satisfy itself as to the physical condition and feasibility of the Property for Purchaser's Intended Use. Purchaser or Purchaser's contractors shall notify Seller no less than three (3) business days in advance of making any such inspections. Additionally, Purchaser's contractors shall obtain general liability insurance insuring Seller as a primary insured for any damages or claims resulting from Purchaser's contractor's actions, studies or inspections and their entry onto the Property pursuant to this Paragraph 4(a), evidencing general liability insurance of not less

than One Million and no/100 Dollars (\$1,000,000.00) per occurrence and Two Million and no/100 Dollars (\$2,000,000.00) in the aggregate. Prior to entry onto the Property, Purchaser's contractors shall deliver a copy of a certificate evidencing the insurance required by this Paragraph 4(a) to Seller. Purchaser shall save, defend, indemnify and hold Seller harmless from any damages or claims arising out of Purchaser's entry onto and actions taken on the Property. This indemnification shall survive the Closing and be enforceable thereafter.

6. **REPRESENTATIONS AND WARRANTIES:**

I. Seller represents and warrants to Purchaser as of the Effective Date, and as of the date of Closing, as follows:

(a) [Intentionally Deleted.]

(b) The Property is not currently subject to common area maintenance or any similar impositions pursuant to any reciprocal easement agreement or similar document, or otherwise;

(c) Seller has not entered into any agreement with any governmental entity and is not otherwise legally obligated to construct or install any off-site improvements for the benefit of the Property, the construction or installation of which are a condition to the issuance of a building permit for any improvements to be constructed by or on behalf of Purchaser on the Property or the final certificate of occupancy for such improvements;

(d) The Property is not currently encumbered by, and Seller has no current plans to encumber the Property with, a transportation development district and/or any similar type of arrangement, except that certain unrecorded Redevelopment Agreement dated June 18, 2007 by and between Seller and Rand Ridge, LLC, as the same has been amended from time to time;

(e) There is no existing, pending or, to the best of Seller's knowledge, contemplated, threatened or anticipated (i) condemnation of all or any part of the Property, (ii) widening, addition of medians to, change of grade or limitation on use of streets abutting or serving the Property, or (iii) special tax or assessment levied or to be levied against the Property;

(f) There are no other outstanding contracts of sale or options to purchase the Property;

(g) There are no management, leasing, brokerage, service or maintenance contracts, licenses, or other agreements executed by Seller and affecting the Property or the business conducted thereon which will be binding upon Purchaser after the Closing;

(h) [Intentionally Deleted.]

(i) The Property has, or as of Closing will have, full, legal access to Rand Road, which is a public street, over both the common drives and Spruce Road as shown on **Exhibit B** attached hereto, which access shall be a permanent insurable easement (which is to be included as an insured parcel in the Commitment and Title Policy);

(j) There are no leases, tenancies or licenses covering any part of the Property;

(k) Except as may be disclosed in Seller's Materials, Seller has no actual knowledge or notice of any violation of any building, zoning, environmental or other governmental statute, ordinance or regulation pertaining to the Property, and no knowledge or notice of any administrative or legal

proceedings pending or threatened pertaining to the Property, and Seller has no duty to inquire as to this representation;

(l) The Property is vacant and free and clear of all possessory interests;

(m) Neither Seller nor its principals is a "foreign person" as defined in Section 1445 of the Internal Revenue Code;

(n) Seller owns the entire fee simple title interest to the Property;

(o) Seller has the requisite power and authority to enter into and perform the terms of this Contract and has fully complied and will fully comply with any and all ordinances applicable to Seller as an Illinois home rule municipal corporation which relate to the sale or transfer of municipal property;

(p) All of Seller's Materials are true, correct and complete copies of the originals of those documents;

(q) Seller has no actual knowledge that the Property has ever been used as a landfill or a waste dump, or that there has been any installation in, or production, disposal or storage on, the Property of any hazardous waste or other toxic, hazardous or regulated substances as may be described in any applicable environmental laws, including, without limitation, asbestos, by Seller or by any tenant or any previous owner or previous tenant, or any other activity which could have toxic results, and there is no proceeding or inquiry by any governmental authority or agency with respect thereto, and Purchaser acknowledges that Seller has no duty to inquire or investigate as to the veracity or completeness of this representation;

(r) To Seller's actual knowledge, (i) the Property is in compliance with all applicable environmental laws, (ii) there are no underground storage tanks on or under the Property, and (iii) Seller has not received any notice that the Property is not in compliance with any applicable environmental laws, and Purchaser acknowledges that Seller has no duty to inquire or investigate as to the veracity or completeness of this representation;

(s) To Seller's knowledge, no portion of the Property is now within a wetland as defined in any applicable environmental laws; and

(t) The Property is not currently subject to real estate taxes since the Seller is a governmental entity.

(II) Purchaser represents and warrants to Seller as of the Effective Date, and as of the date of Closing, as follows:

(a) This Contract has been duly authorized, executed and delivered by Purchaser and is the legal, valid, and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, and the execution and delivery thereof does not violate any provision of any agreement or judicial order to which Purchaser is a party or to which Purchaser is subject; and that all the documents to be delivered by Purchaser to Seller at Closing will, at Closing, be duly authorized, executed and delivered by Purchaser and will be the legal, valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their respective terms, and the execution and delivery thereof will not violate any provision of any agreement or judicial order to which Purchaser is a party or to which Purchaser is subject.

(b) Purchaser has not dealt with any broker or finder in connection with the transaction contemplated by this Contract other than any parties to be paid a commission pursuant to Page 1 of the Definitions and Terms Section of this Contract.

The representations, warranties and covenants in this Contract, and the provisions of this **Section 6**, shall not be merged into the Deed or be canceled at Closing and shall survive the Closing of this transaction and delivery of the Deed for a period of one year after Closing. All representations and warranties shall automatically be deemed remade by Seller to Purchaser, and by Purchaser to Seller, respectively, at Closing. Seller agrees to indemnify and hold Purchaser harmless from any loss or damage incurred by Purchaser on account of any such Seller representation or warranty being untrue, which indemnity shall expire and become null and void and of no further force or effect after one year following the Closing. Purchaser agrees to indemnify and hold Seller harmless from any loss or damage incurred by Seller on account of any such Purchaser representation or warranty being untrue, which indemnity shall expire and become null and void and of no further force or effect after one year following the Closing.

7. **SELLER'S COVENANTS AND AGREEMENTS:** Seller covenants and agrees with Purchaser that from the Effective Date and until the Closing:

(a) Seller shall not make, enter or grant any new lease, tenancy, license or other agreement for the use or occupancy of the Property or any portion thereof without Purchaser's prior written consent, which Purchaser may withhold in its sole discretion;

(b) Seller shall not enter into any new service agreements or other contracts that will be binding upon Purchaser after Closing, nor transfer any of the Property or create any easements or encumbrances against the Property, without in each case first obtaining Purchaser's written consent, which Purchaser may withhold in its sole discretion;

(c) Seller shall timely pay all taxes, insurance premiums, debt service, and other obligations pertaining to any building and improvements and Seller shall properly maintain and repair any buildings and improvements in good condition;

(d) Seller shall promptly inform Purchaser of any developments which would cause any of its representations or warranties contained in this Contract to be no longer true and correct; and

(e) Seller shall promptly deliver to Purchaser copies of all notices and correspondence delivered to or received from governmental authorities concerning taxes and assessments, or the condition, impact or use of the Property.

(f) Upon recording the final approved Plat, Cook County will begin the process of issuing the Property a separate real estate tax parcel number which parcel will include only the land comprising the Property, and upon Cook County completing the tax division process commenced by the recording of the final approved Plat, no portion of the Property will be included within a larger parcel of land for real property tax assessment purposes.

8. **CONDITIONS PRECEDENT TO CLOSING:** The obligations of Purchaser to consummate the transactions contemplated by this Contract are subject to the satisfaction of all of the following conditions (each, a "**Condition Precedent**" and collectively, the "**Conditions Precedent**") on or before Closing, unless otherwise provided:

(a) All documents, agreements and certificates required hereunder shall have been approved and executed by all required parties and shall have been delivered to the party or parties entitled to receive them.

(b) All leases or tenancies covering the Property must be released and the Property must be delivered vacant, free and clear of the claims of all tenants.

(c) (i) all of Seller's representations, warranties and covenants in this Contract shall be true and correct; (ii) all of Seller's covenants and agreements in this Contract shall have been performed in all material respects; and (iii) the Property shall be in the same condition as on the Effective Date.

(d) Title Company shall be willing and able to deliver to Purchaser, upon payment of the applicable premium, a 2006 ALTA Owner's Policy in the amount of the Purchase Price with extended coverage over the standard exceptions.

(e) Seller shall have caused the Property to be platted as a separate lot (or to have a lot split finalized to create a separate legal parcel for the Property) and a separate tax parcel identification number to be assigned to the Property.

(f) Seller shall have executed and delivered, and shall have caused the owner of Lot 3 to have executed and delivered, the Declaration to the Escrow Agent for recording at Closing.

If any of the foregoing Conditions Precedent is not satisfied by Closing, then Purchaser shall, by written notice to Seller delivered on or before the date that is thirty (30) days after the expiration of the Approval Period, have the option of (i) waiving the Condition Precedent (which waiver shall be in writing) and closing in accordance with the other terms and provisions of this Contract without reduction in the Purchase Price; or (ii) terminating this Contract, whereupon the Earnest Money shall be refunded to Purchaser, and neither party hereto shall thereafter have any further rights or obligations under this Contract; or (iii) extending the date of Closing for a period of thirty (30) days to attempt to allow all Conditions Precedent to be fulfilled.

#### 9. **CLOSING; ESCROW; AND PRORATION:**

(a) Consummation of this transaction (the "Closing") shall take place at the office of Escrow Agent, on the date that is thirty (30) days after the expiration of the Approval Period, subject to satisfaction of all Conditions Precedent. The Closing shall be conducted "New York Style", meaning that title will be dated down as of the date of Closing so that the Title Policy is issued to Purchaser at Closing. Neither party is obligated to attend the Closing so long as such party delivers its documents to Escrow Agent not later than four (4) business days prior to Closing and delivers its funds to Escrow Agent on or prior to the day of Closing.

(b) The Property is not currently subject to real estate taxes. If, for any reason, the Property becomes subject to real estate taxes prior to Closing, Seller agrees that all real estate taxes and assessments that are due and owing as of the time of the Closing, if any, shall be paid at or prior to Closing by Seller. All real estate taxes and assessments that have accrued, but are not yet due and payable as of the time of Closing, shall be prorated as of the date of Closing and Purchaser shall be given a credit against the Purchase Price for such real estate taxes and assessments. If the amount of such real estate taxes is not then ascertainable, the proration shall be on the basis of 110% of the amount of the most recent ascertainable taxes, and such proration shall be final. If the Property is part of a larger parcel for real estate tax purposes and the Property will not be assessed as a separate tax parcel for real estate tax bills payable after Closing, then, at Closing, Purchaser and Seller will escrow sufficient funds to pay any future real estate tax bills until the Property is given its own real estate tax identification number and real estate tax bill.

(c) All transfer and conveyance taxes and/or documentary stamps will be paid for by Seller. The cost of recording the deed shall be paid for by Purchaser. Seller shall pay the cost of recording any reciprocal easement agreements or similar underlying title documents to be recorded at Closing and any documents necessary to clear title of monetary liens and any matters objected to by Purchaser. The cost of the closing escrow shall be divided equally between Seller and Purchaser. All costs related to the issuance of the Commitment, Title Policy, and Survey shall be paid for by Seller, provided such costs shall not exceed \$5,000.00. The costs charged for the Title work and Title Policy shall be customary costs as charged in the State of Illinois and any and all costs charged in excess of the \$5,000 cap set forth in the previous sentence shall be paid by Purchaser.

(d) Seller shall pay all roll back taxes on or prior to Closing or escrow such amount as Title Company shall require so that any exception in the Title Policy relating to roll back taxes is deleted or insured over.

10. **DEFAULT:** If Purchaser defaults on its obligations under this Contract and fails to cure said default within fifteen (15) days after written notice from Seller, then Seller may terminate this Contract, whereupon the Earnest Money shall be paid to Seller as liquidated damages and not as a penalty, the parties acknowledging that actual damages are not capable of being ascertained. Seller agrees that its damages under this Contract shall be limited to the Earnest Money and retention of such funds by Seller shall be Seller's sole and exclusive remedy. Seller hereby waives any other damages, remedies or claims it may have as a result of Purchaser's default. If Seller defaults on its obligations under this Contract and fails to cure said default within fifteen (15) days after written notice from Purchaser, then Purchaser may terminate this Contract, whereupon the Earnest Money shall be returned to Purchaser, and Purchaser shall be entitled to pursue specific performance as its sole remedy, provided however that if specific performance is not available for any reason caused by Seller, Purchaser shall also be entitled to pursue all remedies available at law or in equity.

11. **BROKERAGE COMMISSION:** Seller and Purchaser represent and warrant to each other that they have not retained any real estate brokers, finders or agents in connection with this Contract other than the brokers named on the first page of this Contract (collectively, the "Brokers"). Seller shall indemnify, defend (with counsel selected by Purchaser) and hold Purchaser harmless from any loss, cost, liability, or expense (including reasonable attorneys' fees) as a consequence of any claim for a commission or fee by any person or entity retained by Seller other than the Brokers, or any other broker claiming by or through Seller. Purchaser shall indemnify, defend (with counsel selected by Seller) and hold Seller harmless from any loss, cost, liability, or expense (including reasonable attorneys' fees) as a consequence of any claim for a commission or fee by any person or entity retained by Purchaser other than the Brokers, or any other broker claiming by or through Purchaser. Seller covenants and agrees to pay the commissions to the Brokers, if any, at Closing.

12. **FIRE OR CASUALTY:** If, prior to the Closing, the Property or any part thereof is damaged or destroyed by fire or other casualty, Seller shall give written notice to Purchaser, and Purchaser may elect to either (i) close this transaction and receive at Closing a credit in the amount of the insurance proceeds actually received by, and/or due and owing but not yet remitted to, Seller; or (ii) terminate this Contract with written notice to Seller in which case all of the Earnest Money shall be returned to Purchaser and the parties hereto shall have no further obligations hereunder.

13. **CONDEMNATION:** If, prior to the Closing, Seller receives notice of the commencement of a proceeding, or the intention to commence a proceeding, under a power of eminent domain relating to or affecting: all or any part of the Property; or the streets abutting or serving the Property; or all or any part of the shopping center or larger development in which the Property is a part, if any; then Seller shall provide notice to Purchaser of the same (as described below), and Purchaser may terminate this Contract by giving Seller written notice of its intention to do so within thirty (30) days after

Seller's notice. If Purchaser elects to terminate this Contract, all of the Earnest Money shall be returned to Purchaser and the parties hereto shall have no further obligations hereunder. If Purchaser elects to close this transaction notwithstanding such taking or condemnation, Purchaser shall be entitled to any award given to Seller as a result of such condemnation proceedings, with the same being paid or assigned to Purchaser at Closing. Seller shall give Purchaser written notice of any notice of the commencement of a proceeding, or the intention to commence a proceeding, under a power of eminent domain affecting the Property within three (3) business days after Seller receives such notice, and thereafter forward to Purchaser any additional notices and/or correspondence Seller receives regarding the matter from any source within three (3) business days after receipt.

14. **ASSIGNMENT OF CONTRACT:** The parties recognize and acknowledge that Purchaser intends to assign this Contract to SMBC Leasing and Finance, Inc., a Delaware corporation or another entity providing financing to Purchaser (the "Bank") prior to or at Closing (the "Assignment"). Seller hereby consents to the Assignment. In addition, Purchaser may assign this Contract to any other entity controlling, controlled by or under common control with Purchaser, without consent or approval by Seller. Any other assignment by Purchaser shall be subject to Seller's prior written consent, not to be unreasonably withheld, denied, conditioned or delayed. Notwithstanding anything contained herein to the contrary, any assignment of this Contract by Purchaser shall not release Purchaser and Purchaser shall remain liable hereunder and obligated for the terms, covenants and conditions contained herein.

15. **AS-IS, WHERE-IS TRANSACTION. SELLER AND PURCHASER HEREBY UNDERSTAND, ACKNOWLEDGE AND AGREE THAT PURCHASER IS FULLY AWARE OF, UNDERSTANDS AND ACKNOWLEDGES THE PHYSICAL CONDITION OF THE PROPERTY.** **THUS, PURCHASER AND SELLER HEREBY UNDERSTAND, ACKNOWLEDGE AND AGREE THAT EXCEPT AS SET FORTH IN THIS CONTRACT, SELLER AND ITS REPRESENTATIVES AND/OR AGENTS HAVE NOT MADE AND ARE NOT NOW MAKING, AND THEY SPECIFICALLY DISCLAIM ALL WARRANTIES, REPRESENTATIONS OR GUARANTIES OF ANY KIND OR CHARACTER, EXPRESSED OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, WITH RESPECT TO THE PROPERTY, AND THE SIZE, LOCATION, AGE, USE, QUALITY, DESCRIPTION, SUITABILITY, OPERATION OR PHYSICAL CONDITION OF THE PROPERTY, OR ANY PORTION THEREOF, AND THE PRESENCE OF HAZARDOUS MATERIALS IN OR ON, UNDER OR IN THE VICINITY OF THE PROPERTY, AND THE MERCHANTABILITY OF THE PROPERTY OR FITNESS OF THE PROPERTY FOR ANY PARTICULAR PURPOSE, AND THAT SELLER MAKES NO WARRANTY, EITHER EXPRESS, IMPLIED OR BY OPERATION OF LAW, THAT THE PROPERTY IS FIT FOR ANY PARTICULAR PURPOSE.** PURCHASER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT EXCEPT FOR ANY SELLER'S WARRANTIES AND REPRESENTATIONS EXPRESSLY CONTAINED IN THIS AGREEMENT, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR ITS REPRESENTATIVES OR ANY OF THEIR RESPECTIVE AGENTS AND ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS HAVE BEEN MADE, AND PURCHASER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AS PURCHASER DEEMS NECESSARY, INCLUDING, BUT NOT LIMITED TO THE FINANCIAL, PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND SHALL RELY UPON SAME. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING, SELLER SHALL SELL AND CONVEY TO PURCHASER, AND PURCHASER SHALL ACCEPT THE PROPERTY "AS-IS", "WHERE-IS", "WITH ALL FAULTS". PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PROPERTY BY SELLER, ANY AGENT OF SELLER OR THIRD PARTY. THE TERMS OF THIS SECTION SHALL SPECIFICALLY SURVIVE THE CLOSING.

16. **OPENING COVENANT.** Purchaser will build and open as a Bridgestone Firestone facility on the Property for at least one (1) day on or before the date that is eighteen (18) months after Closing. This covenant to build and open, including any remedies for failure to do the same, shall be included in a separate document recorded at Closing and the Property shall be subject to such obligation which shall run with the land and be binding on successors and assigns and be enforceable after Closing. This covenant shall survive Closing and be enforceable thereafter, but shall automatically terminate and be of no further force or effect upon the earlier of (i) the date that a Bridgestone Firestone facility opens for business on the Property or (ii) the date that is three years after the recording of such opening covenant document.

17. **SITE WORK.** In consideration of receipt of the Infrastructure Credit, Purchaser shall complete the site work (the "Infrastructure Work") set forth on **Exhibit E** attached hereto and made a part hereof. Purchaser agrees to commence the Infrastructure Work promptly after Closing in connection with the construction of its intended improvements on the Property and to complete such Infrastructure Work with all reasonable dispatch. If Purchaser has not completed the Infrastructure Work by the date that is eighteen (18) months after the date of Closing, subject to Force Majeure (defined below), upon written notice from Seller ("Infrastructure Return Notice"), Purchaser shall return that portion of the Infrastructure Credit associated with the uncompleted Infrastructure Work within thirty (30) days after receipt of the Infrastructure Return Notice. For purposes hereof, "Force Majeure" shall mean causes beyond the reasonable control of a party such as, severe weather conditions, acts of God, strikes, work stoppages, unavailability of or delay in receiving labor or materials, faults by utility companies, fire or other casualty, or action of government authorities. In the event of a dispute between Seller and Purchaser with respect to the cost of that portion of the Infrastructure Credit associated with the uncompleted Infrastructure Work, an engineer designated by Seller and an engineer designated by Purchaser (such designations to be made within fifteen (15) days after the Infrastructure Return Notice) shall select an independent engineer licensed to practice in the jurisdiction where the Property is located who shall resolve such dispute. All fees, costs and expenses of such third engineer so selected shall be paid by Purchaser. The terms of this Paragraph 17 shall survive the Closing and be enforceable thereafter.

18. **MISCELLANEOUS PROVISIONS:**

(a) Time is of the essence of this Contract.

(b) All notices required or desired to be given hereunder shall be deemed given if and when delivered personally, or on the next business day after being deposited with a national overnight courier service, or on the third business day after being deposited in the United States certified or registered mail, return receipt requested, postage prepaid, addressed to a party at its address set forth below, or to such other address as the party to receive such notice may have designated to all other parties by notice in accordance herewith:

(i) Village of Palatine

200 East Wood Street  
Palatine, Illinois 60067  
Attention: Michael Jacobs, AICP  
Deputy Village Manager  
Facsimile: (847) 359-9094

with a copy to:

Schain, Burney, Banks & Kenny, Ltd.  
Three First National Plaza  
70 West Madison Street, Suite 4500  
Chicago, Illinois 60602  
Attention: Richard G. Golab

Facsimile: (312) 345-5701

(ii) If to Buyer:

Bridgestone Retail Operations, LLC  
333 East Lake Street  
Bloomingdale, Illinois 60108  
Attention: Law Department – Real Estate Section

(c) Unless otherwise specified, in computing any period of time described herein, if the last day of such period is a Saturday, Sunday or legal holiday, then the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday.

(d) All of the covenants, warranties, representations and agreements herein contained shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties. This Contract contains all of the agreements between the parties relating to the subject matter and terms hereof and may be modified only in writing signed by both parties.

(e) This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.

(f) Seller agrees that upon its execution of this Contract neither it nor its agents or employees will initiate, or allow or encourage the initiation by others, of discussions or negotiations with third parties or respond to solicitations by third parties relating to the proposed purchase or sale or leasing of the Property or any part thereof.

(g) Upon the expiration of the Inspection Period, Purchaser may at any time place a sign on the Property, which may include the name and telephone numbers of Purchaser and/or Purchaser's brokers or agents.

(h) If either party brings an action to enforce the terms of this Contract or declare rights under this Contract, the prevailing party in the final adjudication of any such action on trial or appeal, shall be entitled to its costs and expenses of suit, including, without limitation, reasonable attorneys' fees and court costs, to be paid by the losing party as fixed by the court.

(i) This Contract shall be governed by and interpreted in accordance with the laws of the state in which the Property is located. The captions, section numbers and article numbers appearing in this Contract are inserted only as a matter of convenience and do not define, limit, construe or describe the scope or intent of such paragraphs or articles of this Contract nor in any way affect this Contract.

(j) Each party hereto represents and warrants to the other that such party is not, and is not acting, directly or indirectly, for or on behalf of any person or entity, named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224), and that such party is not engaged in this transaction, directly or indirectly, on behalf of, and is not facilitating this transaction, directly or indirectly, on behalf of, any such person or entity. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) arising from or related to any breach of the foregoing representations and warranties.

(k) In the event Seller consists of multiple parties, then the obligations of Seller under this Contract shall be joint and several as among such multiple parties.

(l) In the event that Purchaser makes an offer by executing and delivering this Contract to Seller prior to Seller's acceptance hereof, then Purchaser may by written notice to Seller cancel and withdraw such offer at any time prior to Seller's acceptance (which may only be made by Seller executing and delivering this Contract to Purchaser without any changes), in which event this Contract shall be null and void.

(m) Seller, as the Village of Palatine, an Illinois municipal corporation, enters into this Contract solely in its proprietary capacity as land owner. The parties hereto understand, acknowledge and agree that no provision or term in this Contract shall be interpreted to be an admission, approval, acquiescence, right or permit by or from the Village of Palatine regarding any matter relating to the Village's municipal power and authority. The parties hereto understand, acknowledge and agree that they must fully comply in all respects to the Village of Palatine's regulatory and permitting ordinances and requirements.

**END OF STANDARD TERMS AND CONDITIONS**

## EXHIBIT A

### PRELIMINARY LEGAL DESCRIPTION OF THE PROPERTY

THAT PART OF LOT 1 OF PALATINE'S ROUTE 12 SUBDIVISION, BEING A SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 1, SAID CORNER BEING THE INTERSECTION OF THE NORTHWEST LINE OF SAID LOT 1 WITH THE SOUTHWESTERLY LINE OF RAND ROAD, (U.S. ROUTE 12) AND RUNNING

THENCE SOUTH 49 DEGREES 13 MINUTES 30 SECONDS WEST, ALONG THE AFORESAID NORTHWEST LINE OF LOT 1, A DISTANCE OF 290.00 FEET;

THENCE SOUTH 38 DEGREES 23 MINUTES 58 SECONDS EAST, 135.26 FEET;

THENCE NORTH 51 DEGREES 36 MINUTES 02 SECONDS EAST, 296.03 FEET TO THE AFORESAID SOUTHWESTERLY LINE OF RAND ROAD;

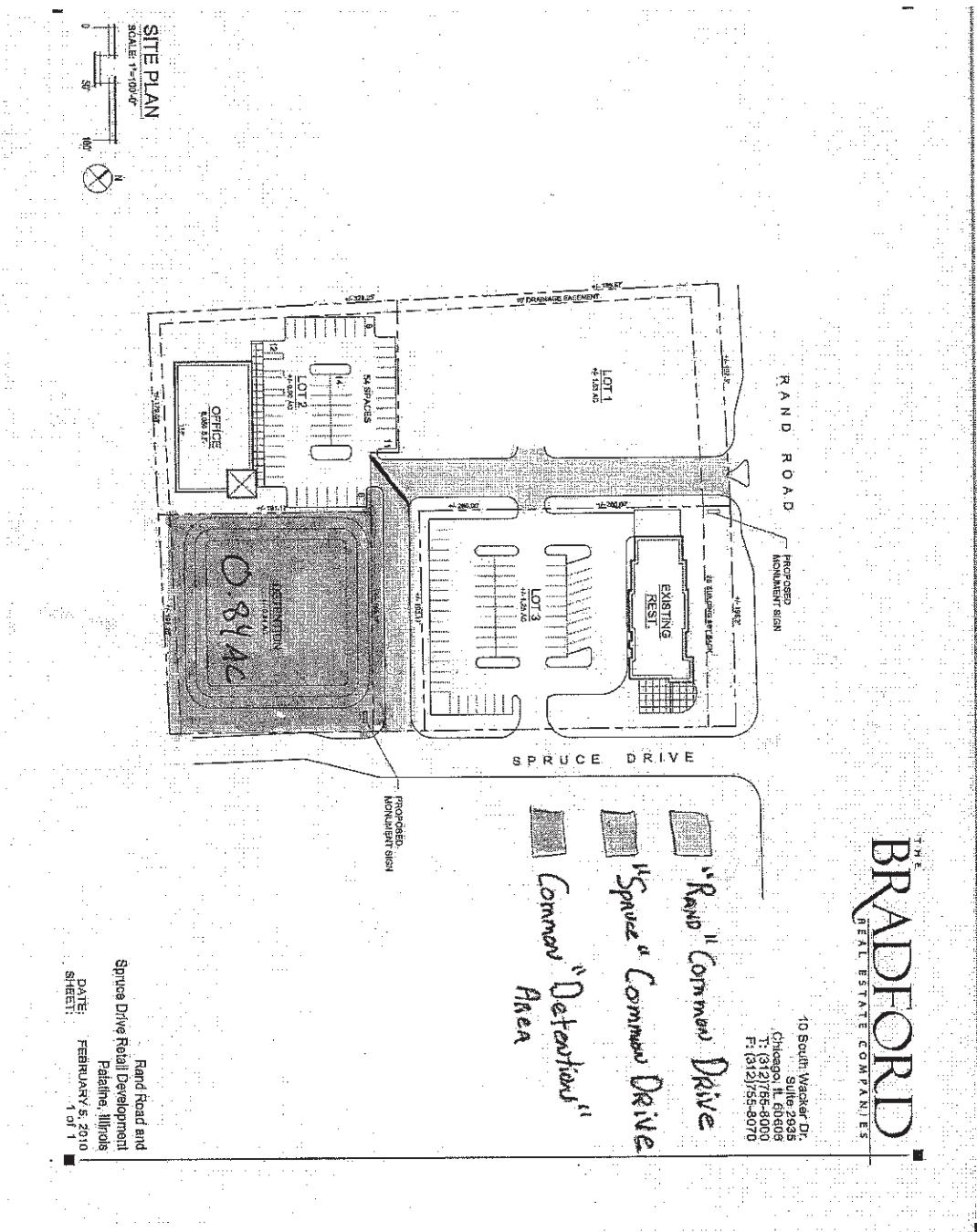
THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE, ON A NON-TANGENT CURVE WHOSE CENTER LIES NORTHEASTERLY AND HAS A RADIUS OF 10698.53 FEET, 75.49 FEET, ARC, (CHORD BEARING NORTH 40 DEGREES 32 MINUTES 01 SECONDS WEST, 75.49 FEET CHORD), TO A BEND POINT IN SAID SOUTHWESTERLY LINE,

THENCE SOUTH 88 DEGREES 59 MINUTES 45 SECONDS WEST, CONTINUING ALONG THE AFORESAID SOUTHWESTERLY LINE, 15.86 FEET, TO A BEND POINT IN SAID LINE;

THENCE NORTH 1 DEGREE 21 MINUTES 21 SECONDS WEST, CONTINUING ALONG THE AFORESAID SOUTHWESTERLY LINE, 19.02 FEET, TO A BEND POINT IN SAID LINE;

THENCE NORTHWESTERLY, CONTINUING ALONG THE AFORESAID SOUTHWESTERLY LINE, ON A NON-TANGENT CURVE WHOSE CENTER LIES NORTHEASTERLY AND HAS A RADIUS OF 10698.53 FEET, 47.08 FEET, ARC, (CHORD BEARING NORTH 41 DEGREES 13 MINUTES 46 SECONDS WEST, 47.08 FEET, CHORD), MORE OR LESS TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

**EXHIBIT B**  
**PRELIMINARY SITE PLAN**



## EXHIBIT C

### MINIMUM TERMS OF DECLARATION

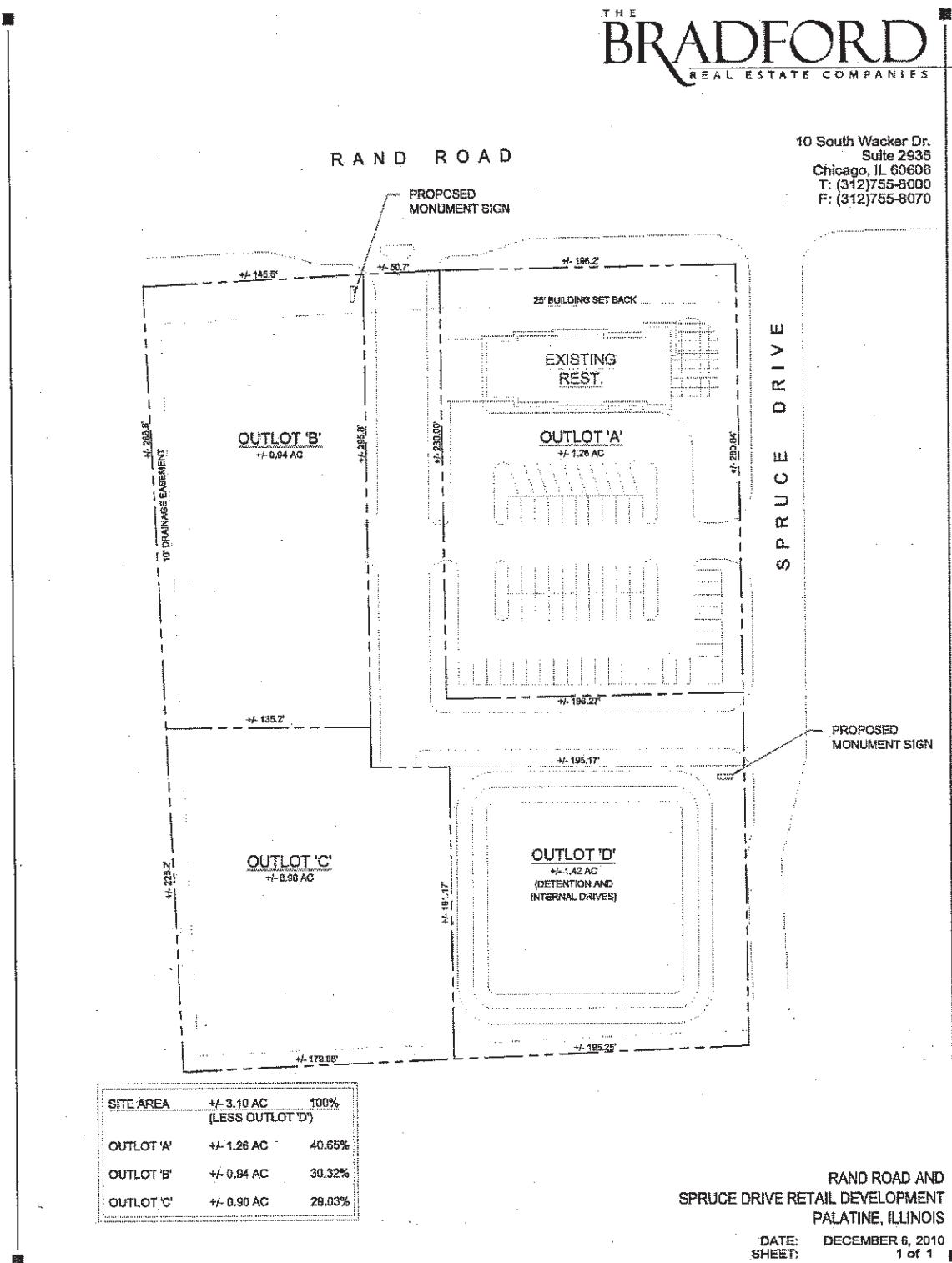
The Declaration shall contain, at a minimum, the following terms, and such other terms as the Purchaser and Seller agree during the Inspection Period:

- (i) There shall be reciprocal easements for vehicular and pedestrian ingress and egress upon, over and across such driveways and access ways as may exist upon the shopping center from time to time (the "Common Drives");
- (ii) There shall be easements benefitting each Parcel for drainage into the Common Detention Area as shown on **Exhibit B**;
- (iii) There shall be reciprocal easements for the installation and maintenance of utility lines, at locations, on each of the Parcels, that will not disturb or adversely affect the use and operation of retail businesses on such Parcels;
- (iv) Seller or its designee shall maintain the Common Drives and the Common Detention Area and shall obtain liability insurance for the common areas in the minimum amount of \$2,000,000, and such policy shall name the owner of the Parcels and their tenants as additional insureds;
- (v) Seller or its designee shall provide an annual estimated Common Area maintenance budget which shall be reconciled annually within ninety (90) days of the end of the calendar year;
- (vi) The owners of the Parcels shall reimburse Seller or its designee for their respective pro rata share of the cost of the common area maintenance, which pro rata share shall be calculated on a land area basis, but such costs shall not include any management fees or administrative fees (Purchaser's pro rata share shall be 30.32%);
- (vii) Lot 2 shall be restricted from being used for the sale, service, repair and installation of tires, motor vehicle parts and accessories, oil and its derivatives, automobile supplies and furnishings; and such other uses as may be necessary or incidental thereto (the "Intended Use") so long as the Property is being used for the Intended Use, provided however, the foregoing restriction shall not restrict a motorcycle sales or repair facility from operating on Lot 2;
- (viii) Purchaser shall construct the balance of the Common Drives as shown on **Exhibit B** (approximately the southern half of "Rand Common Drive" and all of "Spruce Common Drive" as shown on Exhibit B), the cost of which shall be shared equally between Purchaser and Seller (the Seller's share of such cost is included in the Infrastructure Credit);
- (ix) The terms and conditions of the construction, repair and maintenance of the Sign, as defined in Paragraph 4(d) of the Contract.
- (x) The Declaration shall contain such terms and provisions to allow Seller, in the future, to assign its obligations under the Declaration, including, but not limited to the obligation to maintain the Common Drives and the Common Detention Area and obtain liability insurance for the common areas, and the obligation to provide an annual estimated Common Area maintenance budget to any subsequent fee title owner of Outlot C in Palatine's Route 12 Subdivision, whereby Seller shall be released from any and all such obligations.

(xi) The Declaration will be executed by Purchaser, Seller and the owner of Lot 3 and recorded at Closing.

## **EXHIBIT D**

## Preliminary Plat



## EXHIBIT E

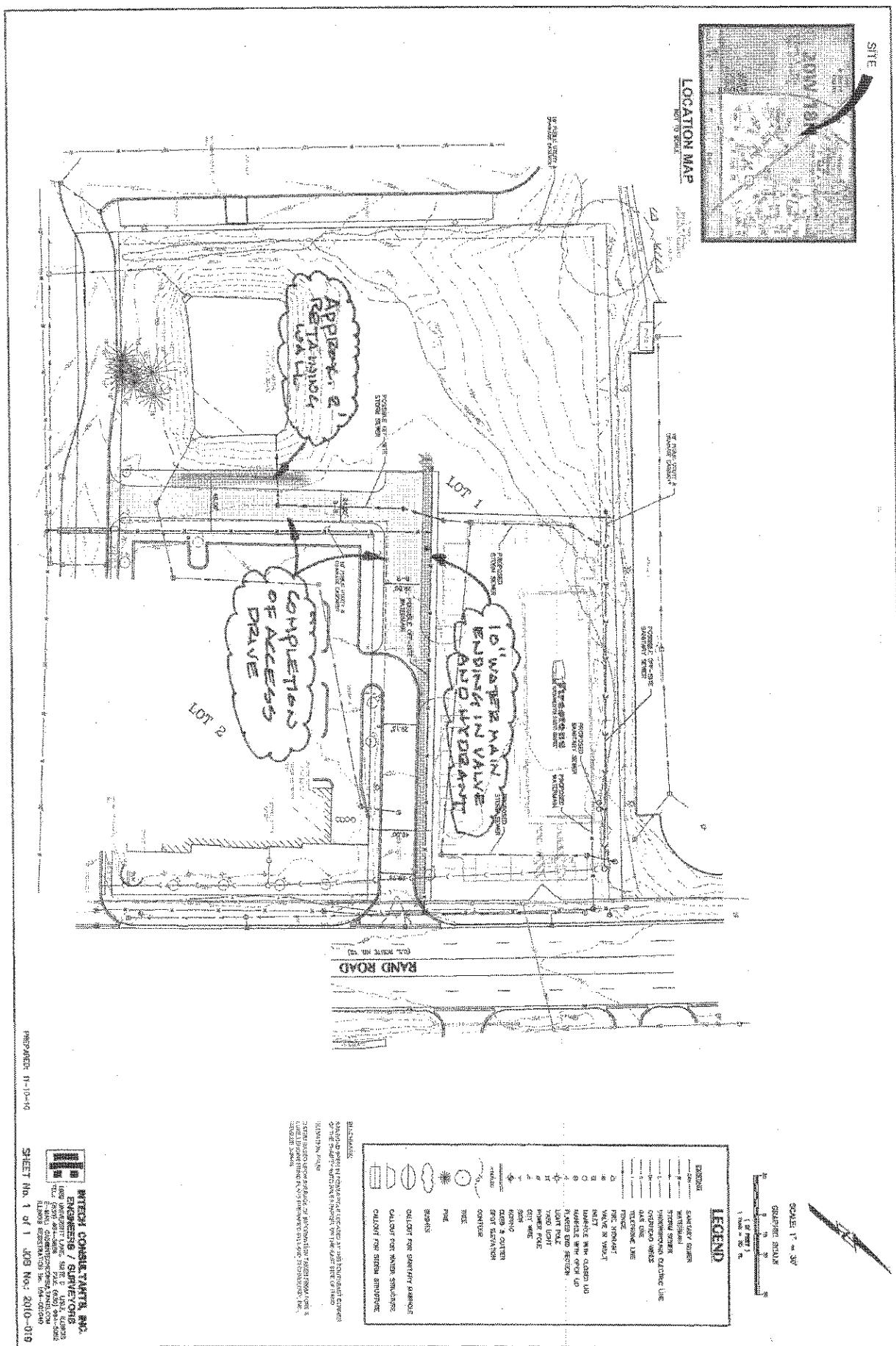
### Site Work

Purchaser shall be responsible for design and construction of the following items. All construction is to be in accordance with the Village of Palatine and State of Illinois Code and Regulations. All offsite construction work is to be completed during the construction of the Firestone store and to be completed no later than the opening of the store. The cost of the various components of the site work that is included in the Infrastructure Credit is set forth below.

- a) **Detention Pond Work** – The detention pond scope of work shall consist of constructing approximately a two foot retaining wall per approved plans and specifications as required to bring the existing detention facility up to the storage capacity required for the entire parcel.
  - i) Retaining Wall: **\$15,000** (100% Village of Palatine Cost)
- b) **Water Line Extension** – The water line extension scope of work shall consist of installing a ten inch water main from Rand Road to a point five feet west of the access drive ending in a valve and fire hydrant.
  - (i) Fire Line Extension: **\$24,885** (100% Village of Palatine Cost)
- c) **Access Drive** – The access drive scope of work shall consist of designing and constructing an access drive connecting Rand Road and Spruce Drive as depicted on Exhibit B to the Purchase Agreement, and shall include all curbing, gutter, storm system, grading and paving per Code.
  - (i) Grading: **\$16,700**
  - (ii) Paving: **\$49,110**
  - (iii) Storm: **\$13,700**

Access Drive Subtotal: **\$79,510** (50/50 Split between Village and BSRO for Access Drive work)  
**Village's 50% Share: \$39,755**

**Infrastructure Credit Total: \$79,640**



## **Village of Palatine Rand Corridor TIF**

**ORDINANCE NO. 0-4-12**

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A FIRST AMENDMENT  
TO THE SECOND AMENDED AND RESTATED REDEVELOPMENT AGREEMENT  
BETWEEN THE VILLAGE OF PALATINE, ARLINGTON AUTOMOTIVE GROUP, INC.,  
AND GEN II REALTY, INC. FOR THE PROPERTY AT THE 2019 N. RAND ROAD**

**Published in pamphlet form by authority of the  
Mayor and Village Council of the Village of Palatine  
on January 3, 2012**

ORDINANCE NO. 0-4-12

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A  
FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED REDEVELOPMENT  
AGREEMENT BETWEEN THE VILLAGE OF PALATINE, ARLINGTON AUTOMOTIVE  
GROUP, INC., AND GEN II REALTY, INC.  
FOR THE PROPERTY AT THE 2019 N. RAND ROAD**

**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, on September 17, 2007 the Mayor and Village Council approved Ordinance #0-163-07 authorizing the Mayor to execute a Redevelopment Agreement with the Palatine Automotive Group, Inc. and Gen II Realty, Inc. for the property located at 2019 N. Rand Road; and**

**WHEREAS, on March 1, 2010 the Mayor and Village Council approved Ordinance #0-16-10 authorizing the Mayor to execute an Amended and Restated Redevelopment Agreement with the Fidelity Motor Group, LLC and Gen II Realty, Inc. for the property located at 2019 N. Rand Road; and**

**WHEREAS, on June 13, 2011 the Mayor and Village Council approved Ordinance # 0-59-11 authorizing the Mayor to execute a Second Amended and Restated Redevelopment Agreement with the Arlington Automotive Group, Inc. and Gen II Realty, Inc. for the property located at 2019 N. Rand Road; and**

**WHEREAS, the Village, Palatine Automotive Group, Inc., Arlington Automotive Group, Inc., and Gen II Realty, Inc. desire to amend the Second Amended and Restated Redevelopment Agreement; and**

**WHEREAS, the First Amendment to the Second Amended and Restated Redevelopment Agreement was considered by the Mayor and Village Council on January 3, 2012 and the Mayor and Village Council have determined that entering into the First Amendment to the Second Amended and Restated Redevelopment Agreement, is in the best interest of the Village of Palatine; 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:**

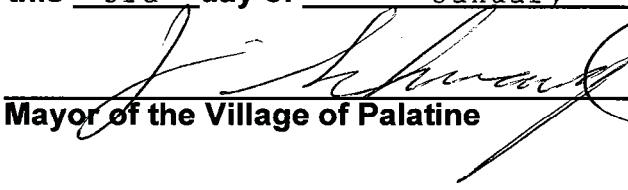
**SECTION 1: The Village of Palatine hereby authorizes the Mayor to execute the First Amendment to the Second Amended and Restated Redevelopment Agreement, attached hereto as Exhibit "A", pursuant to the Tax Increment Financing Act, Section 65 ILCS 5/11-74/4-4(c) and authorizes the Mayor to execute any 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 3 day of January, 2012**

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

**APPROVED by me this 3rd day of January, 2012**

  
John W. Johnson  
**Mayor of the Village of Palatine**

**ATTESTED and FILED in the office of the Village Clerk this 3rd day of January, 2012**

  
Markie J. Dorn  
**Village Clerk**

**ORDINANCE NO. 0-4-12**

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A  
FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED REDEVELOPMENT  
AGREEMENT BETWEEN THE VILLAGE OF PALATINE, ARLINGTON AUTOMOTIVE  
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FOR THE PROPERTY AT THE 2019 N. RAND ROAD**

**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, on September 17, 2007 the Mayor and Village Council approved Ordinance #0-163-07 authorizing the Mayor to execute a Redevelopment Agreement with the Palatine Automotive Group, Inc. and Gen II Realty, Inc. for the property located at 2019 N. Rand Road; and**

**WHEREAS, on March 1, 2010 the Mayor and Village Council approved Ordinance #0-16-10 authorizing the Mayor to execute an Amended and Restated Redevelopment Agreement with the Fidelity Motor Group, LLC and Gen II Realty, Inc. for the property located at 2019 N. Rand Road; and**

**WHEREAS, on June 13, 2011 the Mayor and Village Council approved Ordinance # 0-59-11 authorizing the Mayor to execute a Second Amended and Restated Redevelopment Agreement with the Arlington Automotive Group, Inc. and Gen II Realty, Inc. for the property located at 2019 N. Rand Road; and**

**WHEREAS, the Village, Palatine Automotive Group, Inc., Arlington Automotive Group, Inc., and Gen II Realty, Inc. desire to amend the Second Amended and Restated Redevelopment Agreement; and**

**WHEREAS, the First Amendment to the Second Amended and Restated Redevelopment Agreement was considered by the Mayor and Village Council on January 3, 2012 and the Mayor and Village Council have determined that entering into the First Amendment to the Second Amended and Restated Redevelopment Agreement, is in the best interest of the Village of Palatine; 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 Second Amended and Restated 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.

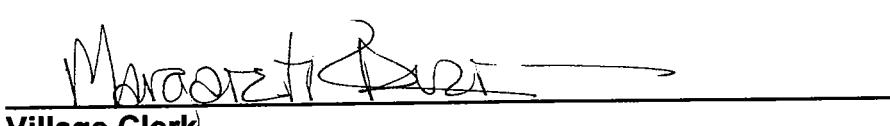
PASSED: This 3 day of January, 2012

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

APPROVED by me this 3rd day of January, 2012

  
\_\_\_\_\_  
Mayor of the Village of Palatine

ATTESTED and FILED in the office of the Village Clerk this 3rd day of  
January, 2012

  
\_\_\_\_\_  
Village Clerk

**FIRST AMENDMENT TO SECOND AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT**

THIS FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED REDEVELOPMENT AGREEMENT (this "Agreement"), is made and entered into as of the 3rd day of January, 2012 ("Agreement 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. d/b/a ARLINGTON LUXURY & CLASSIC CARS ("Arlington Luxury"); PALATINE AUTOMOTIVE GROUP, INC d/b/a VICARI Autohaus ("VICARI Autohaus") and GEN II REALTY, INC., an Illinois Corporation ("GEN II"). (The Village, Arlington Luxury, VICARI Autohaus, and GEN II are sometimes referred to individually as a "Party" and collectively as the "Parties").

**R E C I T A L S**

**WHEREAS**, Village and GEN II, and Palatine Automotive Group, Inc. entered into a certain Redevelopment Agreement dated as of October 4, 2007 ("Original RDA") at which time it was contemplated that Thrifty Car Sales ("Thrifty") would operate the used car facility at 2019 Rand Road, Palatine, Illinois, the legal description of which is attached as Exhibit "A" (the "Property"), pursuant to Village Ordinance No. 0-163-07, dated September 17, 2007 ("Original RDA Ordinance"); and

**WHEREAS**, Village, GEN II and Fidelity Motor Group, LLC ("Fidelity") desired Fidelity to replace Thrifty as the operator of the automobile sales facility and therefore entered into that certain Amended and Restated Redevelopment Agreement dated as of March 8, 2010 ("1<sup>st</sup> Restated RDA"), pursuant to Village Ordinance No. 0-16-10, dated March 1, 2010; and

**WHEREAS**, Village, GEN II, and Arlington Luxury desired Arlington Luxury to replace Fidelity as the operator of the automobile sales facility and therefore entered into that certain Second Amended and Restated Redevelopment Agreement dated as of June 13, 2011 ("2<sup>nd</sup> Restated RDA"), pursuant to Village Ordinance No. O-59-11, dated June 13, 2011; and

**WHEREAS**, due to corporate requirements at Toyota corporate, GEN II and Arlington Luxury

desire VICARI Autohaus to replace Arlington Luxury as the operator of the automotive sales facility at 2019 Rand Road, Palatine, Illinois; and

**WHEREAS**, VICARI Autohaus represents and warrants to Village that VICARI Autohaus, and its principals, are skilled in the development, operation and sale of high end pre-owned automobiles and are able to provide the Project with the necessary skill, knowledge and expertise in the operation of the Project; and

**WHEREAS**, GEN II desires to own and VICARI Autohaus desires to lease the Property from GEN II in order to operate a high end pre-owned automobile sales facility; and

**WHEREAS**, GEN II has been granted an amendment to its Special Use, which Special Use amendment authorizes VICARI Autohaus to sell high end pre-owned automobiles from the Property; and

**WHEREAS**, Village, Arlington Luxury, and GEN II desire to adopt this amendment to the 2<sup>nd</sup> Restated RDA to authorize VICARI Autohaus to replace Arlington Luxury as the operator of the automobile sales facility; and

**WHEREAS**, the terms of the Second Amended and Restated Redevelopment Agreement shall remain in full force and effect except with respect to those provisions amended in this First Amendment to the Second Amended and Restated Redevelopment Agreement (“1<sup>st</sup> Amendment”); and

**WHEREAS**, this 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> Amendment have been undertaken and performed in the manner required by law; and

**WHEREAS**, this 1<sup>st</sup> Amendment has been submitted to the Directors of GEN II for consideration and review, the Directors have taken all actions required to be taken prior to the execution of this 1<sup>st</sup> Amendment in order to make the same binding upon GEN II according to the terms hereof, and any and

**WHEREAS**, this 1<sup>st</sup> Amendment has been submitted to the Directors of Arlington Luxury for consideration and review, the Directors have taken all actions required to be taken prior to the execution of this 1<sup>st</sup> Amendment in order to make the same binding upon Arlington Luxury according to the terms hereof, and any and all action of Arlington Luxury's Directors precedent to the execution of this 1<sup>st</sup> Amendment have been undertaken and performed in the manner required by law.

**WHEREAS**, this 1<sup>st</sup> Amendment has been submitted to the Directors of VICARI Autohaus for consideration and review, the Directors have taken all actions required to be taken prior to the execution of this 1<sup>st</sup> Amendment in order to make the same binding upon VICARI Autohaus according to the terms hereof, and any and all action of VICARI Autohaus's Directors precedent to the execution of this 1<sup>st</sup> 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 1<sup>st</sup> Amendment and are hereby incorporated into and made a part of this 1<sup>st</sup> Amendment as though fully set out in this Article One, and constitute findings, representations and agreements of the Village, GEN II, Arlington Luxury, and VICARI Autohaus according to the tenor and import of the statements in such Recitals.

## **ARTICLE TWO**

### **CHANGE OF PARTY**

Except as otherwise provided in Article Five of this Amendment, all references to Arlington Luxury Group in the 2<sup>nd</sup> Restated RDA shall hereafter refer to VICARI Autohaus. VICARI Autohaus by execution of this 1<sup>st</sup> Amendment agrees and does hereby undertakes all duties and responsibilities of

Arlington Luxury as set forth in the 2<sup>nd</sup> Restated RDA, including but not limited to Section 8.4 of the 2<sup>nd</sup> Restated RDA regarding indemnification.

### **ARTICLE THREE**

#### **POSSESSION OF PROPERTY BY VICARI AUTOHAUS**

This 1<sup>st</sup> Amendment is conditioned upon VICARI Autohaus leasing the Property no later than January 31, 2012. In the event that VICARI Autohaus does not lease the Property on or before January 31, 2012, this 1<sup>st</sup> Agreement shall be null and void unless the Parties agree to amend this provision.

### **ARTICLE FOUR**

#### **AUTHORIZATION TO RELEASE SALES TAX INFORMATION**

So long as VICARI Autohaus has submitted evidence of its sales figures to the Village no later than March 1<sup>st</sup> of each year, and so long as VICARI Autohaus has submitted to the state, with a copy to the Village, the "Authorization to Release Sales Tax Information" form required by the State of Illinois Department of Revenue allowing the Village to verify the sales information, the Village, no later than May 31<sup>st</sup> of each year, shall reimburse the Owner of the Property pursuant to the terms of Article Six of the 2<sup>nd</sup> Restated RDA.

### **ARTICLE FIVE**

#### **INCENTIVE PAYMENTS**

Notwithstanding Section 6.2 of the 2<sup>nd</sup> Restated RDA which references only Arlington Luxury, the Village agrees to pay the Owner of the Property the TIF Incentive based upon the calculation provided under Section 6.2 based on sales tax receipts from the State for sales taxes earned from operations of the high end pre-owned automotive sales facility by Fidelity, Arlington Luxury and VICARI Autohaus at the Property during 2011 and subsequent years, so long as the "Authorization to Release Sales Tax Information" form for those operators is provided to the State of Illinois Department of Revenue and the Village receives the sales tax information from the State to verify the sales taxes generated from those operators.

## **ARTICLE SIX**

### **ORGANIZATION AND AUTHORIZATION**

GEN II and VICARI Autohaus are Illinois corporations authorized to do business in Illinois and existing under the laws of the State of Illinois, and are authorized to and have the power to enter into, and by proper action have been duly authorized to execute, deliver and perform, this Agreement. GEN II and VICARI Autohaus are able to pay their debts as they mature and financially able to perform all the terms of this Agreement. To GEN II and to VICARI Autohaus's knowledge, there are no actions at law or similar proceedings which are pending or threatened against GEN II or VICARI Autohaus, respectively, which would materially and adversely affect the ability of GEN II or VICARI Autohaus to proceed with the construction and operation of the Project.

## **ARTICLE SEVEN**

### **MISCELLANEOUS PROVISIONS.**

**7.1 Notices.** All notices, certificates, approvals, consents or other communications desired or required to be given hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service, (b) overnight courier, or (c) registered or certified first class mail, postage prepaid, return receipt requested.

If to Village:	Village of Palatine 200 E Wood Street Palatine, IL 60067 Attn: Village Clerk
With a copy to:	Village of Palatine 200 E Wood Street Palatine, IL 60067 Attn: Village Manager
With a copy to:	Schain, Burney, Banks & Kenny, Ltd. 70 W. Madison Street, Suite 4500 Chicago, IL 60602 Attn: Robert C. Kenny
If to GEN II:	Arlington Automotive Group, Inc. 2019 Rand Road Palatine, IL 60074 Attn: Gary N. Vicari

With a copy to: Steven M. Sack, Esq.  
110 East 59th Street, 19th Floor  
New York, New York 10022

If to VICARI Autohaus:VICARI Authaus.  
2019 Rand Road  
Palatine, IL 60074  
Attn: Gary N. Vicari

With a copy to: Meltzer, Purtill & Stelle, LLC  
1515 East Woodfield Road, Second Floor  
Schaumburg, IL 60173  
Attn: Mark R. Raymond

**7.2 Counterparts.** This 1<sup>st</sup> 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 1<sup>st</sup> Amendment in the Recorder's Office of Cook County.

**7.4 Severability.** If any provision of this 1<sup>st</sup> 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 1<sup>st</sup> Amendment shall be construed as if such invalid part were never included herein, and this 1<sup>st</sup> Amendment shall be and remain valid and enforceable to the fullest extent permitted by law.

**7.5 Choice of Law.** This 1<sup>st</sup> Amendment shall be governed by and construed in accordance with the laws of the State of Illinois.

**7.6 Successors in Interest.** This 1<sup>st</sup> Amendment shall be binding upon and inure to the benefit of the Parties hereto. Notwithstanding anything herein to the contrary, none of the Parties may delegate their obligations hereunder without the express written approval of the other applicable Party.

**7.7 Term.** This 1<sup>st</sup> 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 Project is extended or until termination of the Rand Road Redevelopment Project Area or until otherwise terminated pursuant to the terms of this 1<sup>st</sup> Amendment or the terms of the 2<sup>nd</sup> Restated RDA.

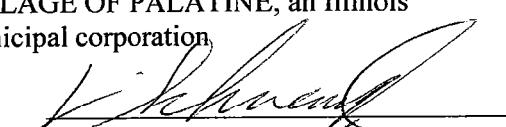
## ARTICLE EIGHT

### EFFECTIVENESS

The Effective Date for this 1<sup>st</sup> Amendment shall be the day on which this 1<sup>st</sup> Amendment is fully executed pursuant to a duly enacted Village ordinance authorizing the execution and adoption of this 1<sup>st</sup> Amendment. GEN II, Arlington Luxury and VICARI Autohaus shall execute this 1<sup>st</sup> Amendment not later than thirty (30) days after Village Council authorization of execution of this 1<sup>st</sup> Amendment or else this 1<sup>st</sup> Amendment will be deemed void.

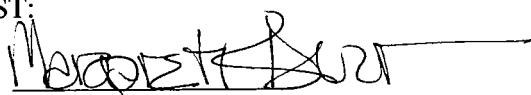
**IN WITNESS WHEREOF**, the parties hereto have caused this 1<sup>st</sup> Amendment to be executed on or as of the day and year first above written.

VILLAGE OF PALATINE, an Illinois municipal corporation

By: 

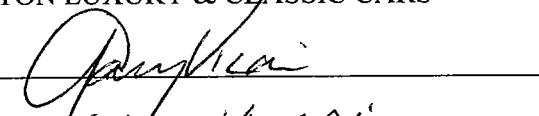
Its: Jim Schwantz, Mayor

ATTEST:

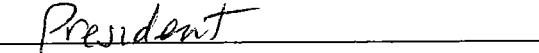
By: 

Its: Village Clerk

ARLINGTON AUTOMOTIVE GROUP, INC. D/B/A  
ARLINGTON LUXURY & CLASSIC CARS

By: 

Name: 

Its: 

GEN II REALTY, INC.

By: 

Name: 

Its: 

PALATINE AUTOMOTIVE GROUP, INC. D/B/A  
VICARI AUTOHAUS

By: Gary Vicari  
 Name: GARY VICARI  
 Its: President

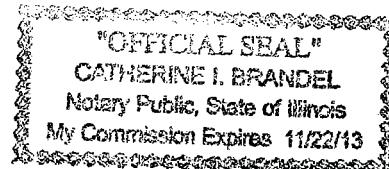
STATE OF ILLINOIS )  
COUNTY OF Cook ) SS

I, Catherine I. Brandel, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that GARY N. VICARI, President of ARLINGTON AUTOMOTIVE GROUP, INC. D/B/A ARLINGTON LUXURY & CLASSIC CARS, 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 6th day of January, 2012.

Catherine I. Brandel  
Notary Public

My commission expires 11/22/13.

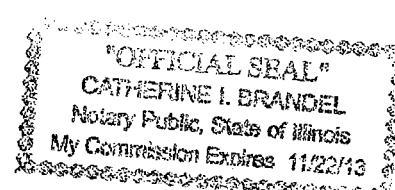


STATE OF ILLINOIS )  
COUNTY OF Cook ) SS

I, Catherine I. Brandel, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that GARY N. VICARI, President of GEN II 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 6th day of January, 2012.

Catherine I. Brandel  
Notary Public



12-28-11

My commission expires 11/22/13.

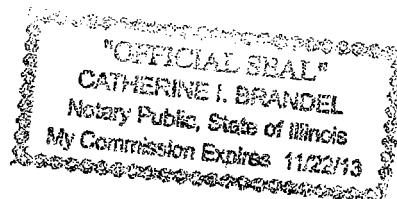
STATE OF ILLINOIS )  
COUNTY OF Cook ) SS )

I, Catherine I. Brandel, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that GARY N. VICARI, President of PALATINE AUTOMOTIVE GROUP, INC. D/B/A VICARI AUTOHAUS, 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 6<sup>th</sup> day of January, 2012.

Catherine S. Braxton  
Notary Public

My commission expires 11/22/13

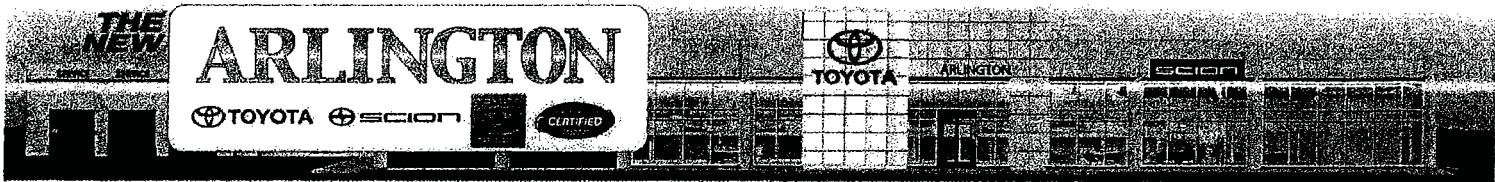


**Exhibit “A” – Legal Description**

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2019 N. Rand Road

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 quarter line of said Section with the centerline of Rand Road, said intersection being 1514.39 feet West of the East line of said section measured on the said East and West 1/4 line; thence Northwesterly along the centerline of Rand Road, said center forming an angle of 47 degrees 00 minutes 30 seconds with the East and West 1/4 line of said Section and a distance of 45.08 feet to the point of beginning; thence Northwesterly along the center line of Rand Road, 100.00 feet; thence Northeasterly at right angles to Rand Road, 624.72 feet; thence Southeasterly on a line that forms an angle of 52 degrees 35 minutes 30 seconds to the right with a prolongation of the last described course, for a distance of 125.89 feet; thence Southwesterly, 701.16 feet to the point of beginning, all in Cook County, Illinois.



December 27, 2011

Mr. Ben Vyverberg (bvyverberg@palatine.il.us)  
Village of Palatine  
200 E. Wood Street  
Palatine, IL 60067-5339

Dear Ben,

I am requesting transfer of the special use zoning to sell used cars at 2019 N. Rand Road from Arlington Automotive Group, Inc. to Palatine Automotive Group, Inc. effective January 2012. Toyota Motor Sales, U.S.A. Inc., in Aurora, IL and its headquarters in California would not permit part of our extended Arlington Automotive Group, Inc. business to operate from a facility (2019 N. Rand Road, Palatine IL) that does not conform to the Toyota Image USA II guidelines. Conforming to the guidelines cannot be done at this time due to excessive cost and restrictions.

Thus, the pre-owned luxury and sports car business will be operated under Palatine Automotive Group. Our legal counsel has asked Bob Kenny to prepare a brief RDA amendment for this purpose as well. The new dba that will be registered for Palatine Automotive Group, Inc. will be VICARI Autohaus. Thus, we are requesting the special use zoning permit to sell used cars on the Gen II Realty, Inc. property be transferred back to Palatine Automotive Group, Inc. at the January 3, 2012 council meeting in order for our luxury and sports car business to continue at the property doing business as VICARI Autohaus.

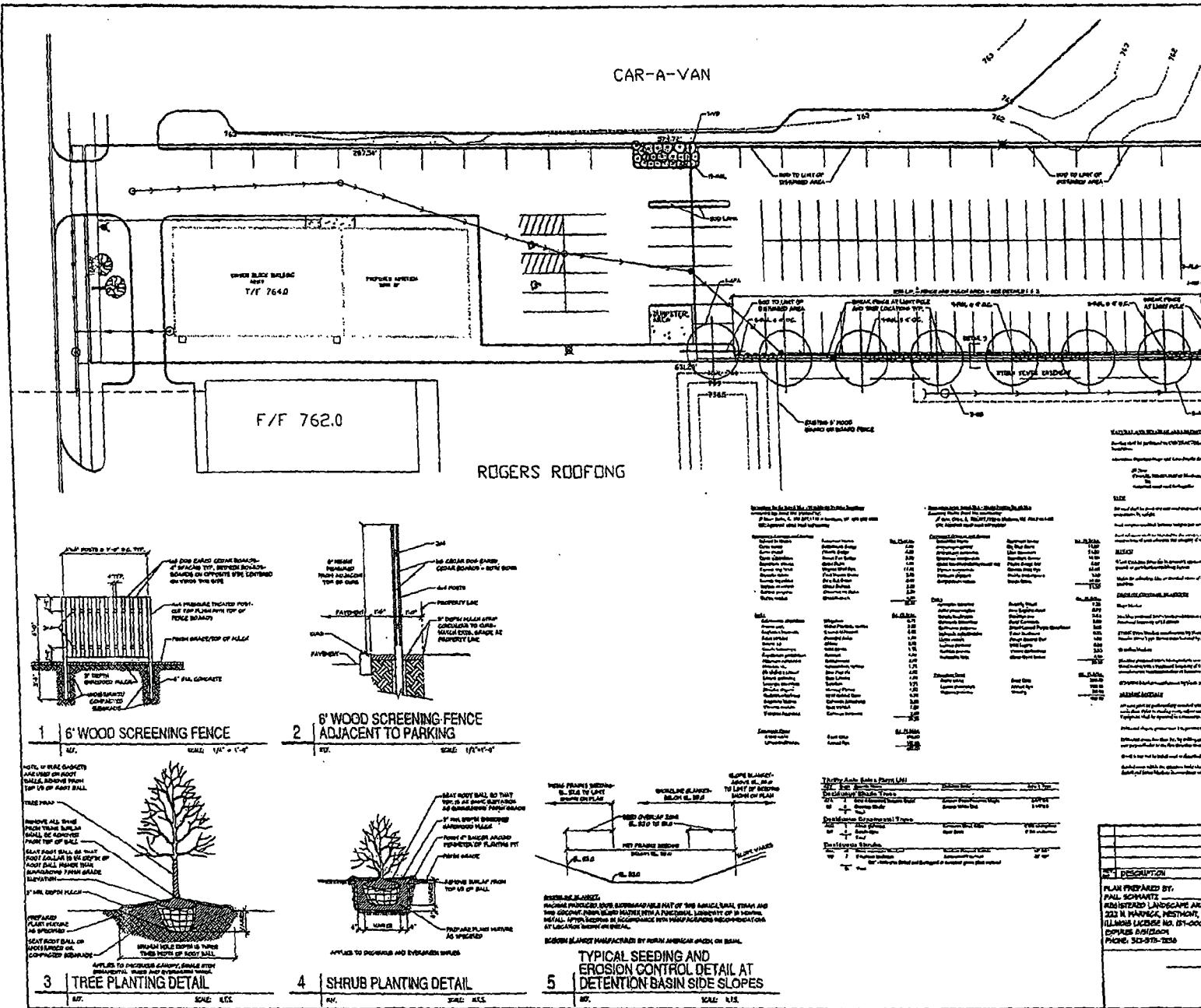
Sincerely yours with warmest holiday wishes,

A handwritten signature in black ink, appearing to read 'Gary Vicari'.

Gary Vicari  
President  
Arlington Automotive Group, Inc. / Palatine Automotive Group, Inc.

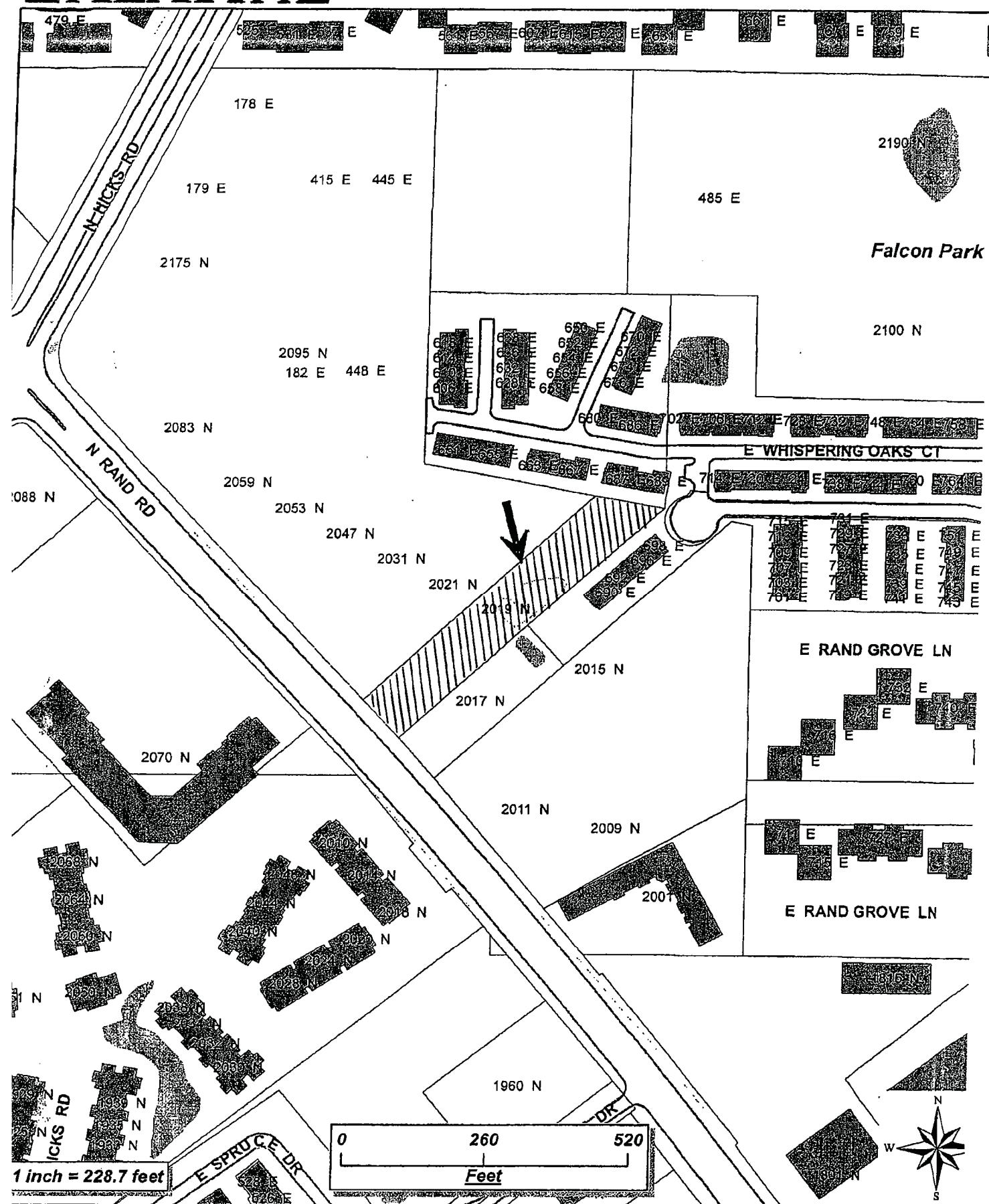
cc: Mr. Mark Raymond  
Mr. Reid Ottesen (rottesen@palatine.il.us)  
Mr. Mike Jacobs (mjacobs@palatine.il.us)  
T. Pade

2095 N. Rand Road • Palatine, IL 60074 • Corner of Rand & Hicks Road  
P: 847-485-1200 • [ToyotaArlington.com](http://ToyotaArlington.com) • F: 847-485-1468



# **P**VILLAGE OF **PALATINE**

# 2019 N. RAND ROAD



**ORDINANCE NO. 0-39-12**

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

**Published in pamphlet form by authority of the  
Mayor and Village Council of the Village of Palatine  
on March 19, 2012**

**ORDINANCE NO. 0-39-12**

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A THIRD  
AMENDMENT TO THE REDEVELOPMENT AGREEMENT BETWEEN THE VILLAGE  
OF PALATINE AND RAND RIDGE, LLC FOR A PORTION OF THE PROPERTY  
LOCATED 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 for a portion of the property located at the northwest corner of Rand Road and Spruce Drive; and**

**WHEREAS, on August 11, 2008, the Mayor and Village Council approved the First Amendment to the Redevelopment Agreement with Rand Ridge, LLC; and**

**WHEREAS, on March 2, 2009, the Mayor and Village Council approved the Second Amendment to the Redevelopment Agreement with Rand Ridge, LLC; and**

**WHEREAS, pursuant to authorization from the Village Council, the Village of Palatine entered into a Real Estate Sales contract with BRIDGESTONE RETAIL OPERATIONS, LLC, a Delaware limited liability company ("Bridgestone") dated**

October 26, 2011 (“Bridgestone Sale Contract”), to sell approximately 0.94 acres (“Bridgestone Parcel”) of the redevelopment parcel referenced in the Redevelopment Agreement with Rand Ridge, LLC dated June 18, 2007 to Bridgestone; and

**WHEREAS**, pursuant to the Bridgestone Sale Contract, Bridgestone requires the Bridgestone Parcel to not be subject to the Redevelopment Agreement with Rand Ridge, LLC, as amended; and

**WHEREAS**, the Mayor and Village Council have on March 19, 2012, considered the proposed Third Amendment to Redevelopment Agreement with Rand Ridge, LLC to remove the Bridgestone Parcel from the Redevelopment Agreement with Rand Ridge, LLC, and have determined that entering into this Third Amendment to Redevelopment Agreement furthers the purposes of the Tax Increment Financing District; 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: As of the date of the closing of the sale of the Bridgestone Parcel to Bridgestone pursuant to the Bridgestone Contract, the Village of Palatine hereby authorizes the Mayor to execute the Third Amendment to the Redevelopment Agreement attached hereto as Exhibit “A”, pursuant to the Tax Increment Financing Act and authorizes the Mayor to execute any other supporting documents to the extent permitted by law, provided, however, the Third Amendment to Redevelopment Agreement shall only be effective upon the closing, funding and transfer of the Bridgestone Parcel to Bridgestone pursuant to the Bridgestone Contract. In the event the closing, funding, and transfer of the**

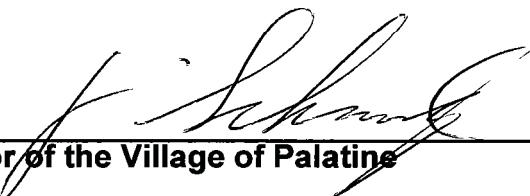
**Bridgestone Parcel to Bridgestone pursuant to the Bridgestone Contract fails to occur for any reason whatsoever, the Third Amendment to Redevelopment Agreement shall be null and void and of no further force or effect.**

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

**PASSED: This 19th day of March, 2012**

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

**APPROVED by me 19th day of March, 2012**



**Mayor of the Village of Palatine**

**ATTESTED and FILED in the office of the Village Clerk**

**This 19th day of March, 2012**



**Village Clerk**

**THIS DOCUMENT PREPARED BY  
AND AFTER RECORDING  
RETURN TO:**

**Richard G. Golab  
Schain, Burney, Banks & Kenny, Ltd.  
Three First National Plaza  
70 West Madison Street  
Suite 4500  
Chicago, Illinois 60602**

**THIRD AMENDMENT TO  
REDEVELOPMENT AGREEMENT**

**THIS THIRD AMENDMENT TO REDEVELOPMENT AGREEMENT** (this "Amendment"), is made and entered into as of the 19 day of March, 2012 ("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**, on or about **May 7, 2007**, the Village acquired the original five (5) acre parcel which is the subject of the RDA and is in the Rand Road Redevelopment Project Area, legally described on Exhibit "A", attached hereto and incorporated herein ("Redevelopment Parcel");

**WHEREAS**, on or about **June 26, 2007**, the Village sold Rand a portion of the Redevelopment Parcel, which is legally described on Exhibit "B", attached hereto and incorporated herein ("Rand Parcel");

**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") regarding the redevelopment of the Redevelopment Parcel; and

**WHEREAS**, the parties entered into that certain First Amendment to Redevelopment Agreement ("First Amendment") dated August 11, 2008, which amended and modified the Original Redevelopment Agreement, and, along with the Ordinance approving the First Amendment, was recorded in the Office of the Cook County Recorder of Deeds on September 25, 2008 as Document number 0826949045; and

**WHEREAS**, the parties entered into that certain Second Amendment to Redevelopment Agreement ("Second Amendment") dated March 2, 2009, which further amended and modified the Original Redevelopment Agreement, and, along with the Ordinance approving the Second Amendment, was recorded in the Office of the Cook County Recorder of Deeds on July 10, 2009, as Document number 0919149007. The Original Redevelopment Agreement, the First Amendment and the Second Amendment shall sometimes hereinafter be collectively referred to as "RDA";

**WHEREAS**, the Village has entered into a Real Estate Sales Contract with **BRIDGESTONE RETAIL OPERATIONS, LLC**, a Delaware limited liability company ("BRO") dated October 26, 2011, as amended ("BRO Contract"), to sell approximately 0.94 acres of the Redevelopment Parcel ("BRO Parcel") to BRO. The BRO Parcel is legally described on Exhibit "C" attached hereto and incorporated herein;

**WHEREAS**, as part of the sale of the BRO Parcel to BRO, the Village and Developer have agreed to release the BRO Parcel from the terms, covenants, conditions and obligations of the RDA;

**WHEREAS**, the parties now desire to further amend the RDA to release the BRO Parcel from the terms, covenants, conditions and obligations of the RDA, all as provided herein below; and

**WHEREAS**, the terms covenants, conditions and obligations of the RDA shall remain in full force and effect with respect to the remainder of the Redevelopment Parcel; 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:

1. **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 Developer according to the tenor and import of the statements in such Recitals. For the purposes of this Amendment, unless the context clearly requires otherwise, words and terms used in this Amendment shall have the meanings provided in the RDA.

2. **Release of BRO Parcel.** The Village and Rand hereby understand, acknowledge and agree, upon full execution of this Amendment, the BRO parcel shall be fully and completely released from any and all terms, covenants and conditions of the RDA and the RDA shall not apply to the BRO Parcel.

3. **Closing Contingency.** Notwithstanding anything contained herein to the contrary, this Amendment shall only be effective upon the closing, funding and transfer of the Bridgestone Parcel to Bridgestone pursuant to the BRO Contract. In the event the closing, funding and transfer of the BRO Parcel to BRO pursuant to the BRO Contract fails to occur for any reason whatsoever, this Amendment shall be automatically null and void and of no further force or effect without any further action or notice by the Parties.

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

5. **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.

6. **Recordation of Amendment.** Upon full execution, the Parties agree to record this Amendment in the appropriate land or governmental records.

7. **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.

8. **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. **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.

10. **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.

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

12. **Conflicts.** Wherever the terms and conditions of this Amendment conflict with the terms and conditions of the RDA, the terms and conditions of this Amendment shall control and govern.

**(SIGNATURES APPEAR ON THE NEXT PAGE)**

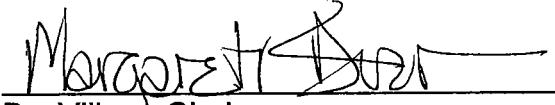
**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be executed on or as of the day and year first above written.

**VILLAGE:**

**VILLAGE OF PALATINE,**  
an Illinois municipal corporation

By:   
Name: Jim Schwartz  
Its: MAYOR

**ATTEST:**

  
By: Village Clerk

**DEVELOPER:**

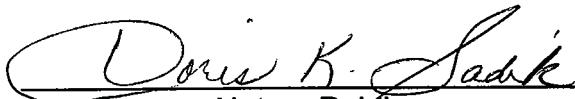
**RAND RIDGE L.L.C.**

By: Rand Ridge LLC, Curli Caputo  
Name: Curli Caputo  
Its: Manager

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

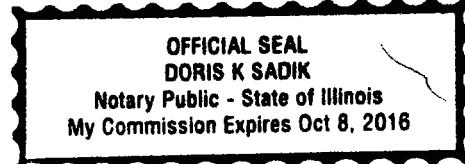
I, Doris K. Sadik, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Jim Schwartz, the Mayor of the Village of Palatine, Illinois, an Illinois municipal corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act as said Mayor and as the free and voluntary act of said municipal corporation for the uses and purposes therein set forth on behalf of the municipal corporation.

GIVEN under my hand and Notarial Seal this 10th day of April, 2012.



Notary Public

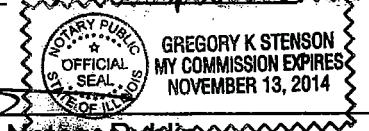
My commission expires Oct 8, 2016



STATE OF IL )  
 ) SS  
COUNTY OF Lake )

I, Gregory K. Stenson, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Carli Caputo, Manager 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 10th day of April, 2012.



My commission expires November 14 2014

## **EXHIBIT A**

## **LEGAL DESCRIPTION OF REDEVELOPMENT PARCEL**

LOT 3, LOT 4, OUTLOT A AND OUTLOT B IN PALATINE'S ROUTE 12  
RESUBDIVISION OF LOT 1, A SUBDIVISION IN THE SOUTHEAST QUARTER OF  
SECTION 2, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL  
MERIDIAN, IN COOK COUNTY ILLINOIS, RECORDED ON October 16, 2012  
WITH THE COOK COUNTY RECORDER OF DEEDS AS DOCUMENT NUMBER  
1229029093

COMMON ADDRESS: 420 SPRUCE DRIVE, PALATINE, ILLINOIS

AND

LOT 2 IN PALATINE'S ROUTE 12 SUBDIVISION, A SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS, RECORDED ON SEPTEMBER 13, 2007 WITH THE COOK COUNTY RECORDER OF DEEDS AS DOCUMENT NUMBER 0725603040.

COMMON ADDRESS: 420 SPRUCE DRIVE, PALATINE, ILLINOIS

PIN: 02-02-400-084

**EXHIBIT B**

**LEGAL DESCRIPTION OF RAND PARCEL**

LOT 2 IN PALATINE'S ROUTE 12 SUBDIVISION, A SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS, RECORDED ON SEPTEMBER 13, 2007 WITH THE COOK COUNTY RECORDER OF DEEDS AS DOCUMENT NUMBER 0725603040.

COMMON ADDRESS: 420 SPRUCE DRIVE, PALATINE, ILLINOIS

PIN: 02-02-400-084

**EXHIBIT C**

**LEGAL DESCRIPTION OF BRO PARCEL**

LOT 3 IN PALATINE'S ROUTE 12 RESUBDIVISION OF LOT 1, A SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS, RECORDED ON October 16, 2012 WITH THE COOK COUNTY RECORDER OF DEEDS AS DOCUMENT NUMBER 1229029093.

COMMON ADDRESS: 420 SPRUCE DRIVE, PALATINE, ILLINOIS

PIN: 02-02-400-083 \* (portion)  
02-02-401-001 \*

\* note: PIN: pertains to  
SUBDIVISION

**DRAFT**

Village of Palatine

Rand/Dundee Tax Increment Financing District  
Dundee Road Tax Increment Financing District  
Rand Corridor Tax Increment Financing District  
Rand/Lake Cook Tax Increment Financing District  
Downtown Area Tax Increment Financing District

Meeting of the Joint Review Board

Wednesday, September 26, 2012 - 2:00 p.m.

Minutes

I. JOINT REVIEW BOARD CALL TO ORDER

Reid Ottesen, Village Representative, called the meeting to order at 2:01 p.m.

II. ROLL CALL OF TAX DISTRICT MEMBERS

Present:

Palatine Public Library District  
Susan Strunk, Executive Director  
Community Consolidated School District 15  
Scott Thompson, Superintendent  
Township High School District 211  
Dave Torres, Associate Superintendent for Business  
William Rainey Harper Community College  
Bret Bonnstetter, Controller  
Village of Palatine  
Reid Ottesen, Village Manager  
Mike Jacobs, Deputy Village Manager  
Paul Mehring, Finance Director  
Ray Franczak, Public Member

Absent:

Cook County  
Metropolitan Water Reclamation District  
Northwest Mosquito Abatement District  
Palatine Park District  
Township of Palatine

**III. NOMINATION FOR AND SELECTION OF PUBLIC MEMBER**

Scott Thompson, seconded by Dave Torres, moved to approve Ray Franczak as the Public Member of the Joint Review Board. The motion was approved unanimously.

**IV. NOMINATION FOR CHAIR OF THE JOINT REVIEW BOARD**

Scott Thompson, seconded by Susan Strunk, nominated Reid Ottesen as the Chair of the Joint Review Board meeting for Monday, September 26, 2012. The motion was approved unanimously.

**V. APPROVAL OF THE NOVEMBER 14 2011 MINUTES OF THE JOINT REVIEW BOARD**

Scott Thompson, seconded by Ray Franczak, moved to approve the November 14, 2011 minutes of the Joint Review Board. The motion was approved unanimously.

**VI. APPROVAL OF THE JUNE 14, 2012 MINUTES OF THE JOINT REVIEW BOARD**

Dave Torres, seconded by Scott Thompson, moved to approve the June 14, 2012 minutes of the Joint Review Board. The motion was approved unanimously.

**VII. ANNUAL REVIEW OF PERFORMANCE**

Reid Ottesen explained that all taxing bodies are required to get together once a year to discuss the status of the TIF districts. Reid Ottesen indicated that he would review the projected surplus to be declared from the Dundee Road TIF and Rand/Dundee TIF and that Mike Jacobs would provide an overview of development activity within the Village's TIF Districts over the past year.

**A. DUNDEE ROAD TIF DISTRICT**  
**B. RAND/DUNDEE TIF DISTRICT**

Reid Ottesen distributed summary charts for both TIF Districts that outlined the projected distribution of incremental revenues by agency from 2013 through 2018. He noted that 2013 includes a full payout of all surplus funds, while the projected distribution for future years includes only a partial surplus payout as the Village is looking to set aside some money for potential projects within the TIF District. He noted that the future year projections will be reconsidered each year as part of the Village's annual budget review and approval process.

**C. RAND ROAD CORRIDOR TIF DISTRICT**

Mike Jacobs reviewed the status of several properties including the former Idol's and Menard's sites, as well as some potential modifications to the Park Place shopping center. Scott Thompson asked some additional questions related to the status of Idol's. In addition, Mr. Jacobs outlined IDOT's proposed modifications to Dundee Road, between Rand Road and Route 53.

**D. DOWNTOWN AREA TIF DISTRICT**

Within the Village's Downtown TIF District, Mike Jacobs indicated that during the past year several business/property owners have participated in the Village's downtown façade grant program. Mr. Jacobs also noted that the reconstruction of Bothwell Street, between Palatine Road and the railroad tracks, has commenced and will result in additional on-street parking as well as enhanced pedestrian amenities. Susan Strunk inquired about the status of the Mia Cucina building as well as other vacant tenant spaces within the downtown area. Mr. Jacobs outlined the Village's efforts related to the Mia Cucina building as well as the status of some of the other available retail spaces within the downtown area.

**E. RAND/LAKE COOK TIF DISTRICT**

Mike Jacobs indicated that the Village Council formally approved the Rand/Lake Cook TIF District on August 20, 2012. Mr. Jacobs also noted that Patrick Hyundai was pursuing approval for a new automobile dealership at the southeast corner of Rand and Lake Cook Roads.

**VIII. ADJOURNMENT**

Scott Thompson, seconded by Ray Franczak, moved to adjourn the Joint Review Board Meeting at 2:25 p.m. The motion was approved unanimously.

Respectfully submitted,

Michael W. Jacobs  
Village of Palatine



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the Village of Palatine, Illinois as of and for the year ended December 31, 2012, which collectively comprise the basic financial statements of the Village of Palatine, Illinois, and have issued our report thereon dated April 16, 2013.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary financial information (schedule of revenues, expenditures, and changes in fund balance and schedule of fund balance by source for the Dundee Road Tax Increment Financing District Fund, Rand/Dundee Tax Increment Financing District Fund, Downtown Tax Increment Financing District Fund, Rand Road Corridor Tax Increment Financing District Fund and the Rand/Lake Tax Increment Financing District Fund) is presented for the purpose of additional analysis and is not a required part of the financial statements. The supplementary financial information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Naperville, Illinois  
April 16, 2013

## SUPPLEMENTARY INFORMATION

VILLAGE OF PALATINE, ILLINOIS

TAX INCREMENT FINANCING DISTRICT FUNDS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2012

	Dundee Road TIF	Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF	Rand-Lake Cook TIF
<b>REVENUES</b>					
Taxes					
Incremental property taxes	\$ 2,646,573	\$ 248,691	\$ 5,298,957	\$ 2,736,497	\$ -
Intergovernmental					
Build America bond interest rebate	- -	- -	136,474	- -	- -
Investment income	2,499	444	11,928	3,306	- -
<b>Total revenues</b>	<b>2,649,072</b>	<b>249,135</b>	<b>5,447,359</b>	<b>2,739,803</b>	<b>- -</b>
<b>EXPENDITURES</b>					
Economic development					
Supplies and services	- -	- -	3,063	38,280	- -
Project expenditures	- -	- -	243,906	1,952,068	2,043,615
Surplus distribution	3,192,000	398,000	- -	- -	- -
Capital outlay					
Buildings and facilities	- -	- -	879	- -	- -
Rights of way improvements	- -	- -	44,210	11,065	- -
Flood control	- -	- -	- -	102,153	- -
Street improvements	- -	- -	552,816	45,533	- -
Debt service					
Principal retirement	- -	- -	3,631,824	500,000	- -
Interest	- -	- -	1,829,968	905,398	- -
Fiscal charges	- -	- -	86,684	1,000	- -
<b>Total expenditures</b>	<b>3,192,000</b>	<b>398,000</b>	<b>6,393,350</b>	<b>3,555,497</b>	<b>2,043,615</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(542,928)</b>	<b>(148,865)</b>	<b>(945,991)</b>	<b>(815,694)</b>	<b>(2,043,615)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding bonds issued, at par	- -	- -	5,025,000	- -	- -
Payment to refunded bond escrow agent	- -	- -	(4,939,073)	- -	- -
Proceeds from sale of capital assets	- -	- -	- -	213,935	- -
Transfers in (out)	- -	- -	- -	(2,000,000)	2,000,000
<b>Total other financing sources (uses)</b>	<b>- -</b>	<b>- -</b>	<b>85,927</b>	<b>(1,786,065)</b>	<b>2,000,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(542,928)</b>	<b>(148,865)</b>	<b>(860,064)</b>	<b>(2,601,759)</b>	<b>(43,615)</b>
<b>FUND BALANCE, JANUARY 1</b>	<b>2,638,526</b>	<b>443,219</b>	<b>14,529,230</b>	<b>12,347,855</b>	<b>- -</b>
<b>FUND BALANCE, DECEMBER 31</b>	<b>\$ 2,095,598</b>	<b>\$ 294,354</b>	<b>\$ 13,669,166</b>	<b>\$ 9,746,096</b>	<b>\$ (43,615)</b>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

TAX INCREMENT FINANCING DISTRICT FUNDS

SCHEDULE OF FUND BALANCES BY SOURCE

For the Year Ended December 31, 2012

	Dundee Road TIF	Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF	Rand Road Corridor TIF
BEGINNING BALANCES, JANUARY 1, 2012	\$ 2,638,526	\$ 443,219	\$ 14,529,230	\$ 12,347,855	\$ -
<b>ADDITIONS</b>					
Taxes					
Incremental property taxes	2,646,573	248,691	5,298,957	2,736,497	-
Intergovernmental					
Build america bond interest rebate	-	-	136,474	-	-
Investment income	2,499	444	11,928	3,306	-
Refunding bonds issued, at par	-	-	5,025,000	-	-
Proceeds from sale of capital assets	-	-	-	213,935	-
Transfers in	-	-	-	-	2,000,000
Total additions	2,649,072	249,135	10,472,359	2,953,738	2,000,000
BEGINNING BALANCES PLUS ADDITIONS	<b>5,287,598</b>	<b>692,354</b>	<b>25,001,589</b>	<b>15,301,593</b>	<b>2,000,000</b>
<b>DEDUCTIONS</b>					
Economic development					
Supplies and services	-	-	3,063	38,280	-
Project expenditures	-	-	243,906	1,952,068	2,043,615
Surplus distribution	3,192,000	398,000	-	-	-
Capital outlay					
Buildings and facilities	-	-	879	-	-
Rights of way improvements	-	-	44,210	11,065	-
Flood control	-	-	-	102,153	-
Street improvements	-	-	552,816	45,533	-
Debt service					
Principal retirement	-	-	3,631,824	500,000	-
Interest	-	-	1,829,968	905,398	-
Fiscal charges	-	-	86,684	1,000	-
Payment to refunded bond escrow agent	-	-	4,939,073	-	-
Transfers out	-	-	-	2,000,000	-
Total deductions	<b>3,192,000</b>	<b>398,000</b>	<b>11,332,423</b>	<b>5,555,497</b>	<b>2,043,615</b>
ENDING BALANCES, DECEMBER 31, 2012	<b>\$ 2,095,598</b>	<b>\$ 294,354</b>	<b>\$ 13,669,166</b>	<b>\$ 9,746,096</b>	<b>\$ (43,615)</b>
<b>ENDING BALANCES BY SOURCE</b>					
Incremental property taxes	\$ 2,095,598	\$ 248,691	\$ -	\$ 1,132,638	\$ (43,615)
Investment income	-	45,663	-	-	-
Investment in land held for resale	-	-	13,669,166	8,613,458	-
Subtotal	<b>2,095,598</b>	<b>294,354</b>	<b>13,669,166</b>	<b>9,746,096</b>	<b>(43,615)</b>
Less Surplus Funds	-	-	-	-	-
ENDING BALANCES, DECEMBER 31, 2011	<b>\$ 2,095,598</b>	<b>\$ 294,354</b>	<b>\$ 13,669,166</b>	<b>\$ 9,746,096</b>	<b>\$ (43,615)</b>

(See independent auditor's report.)



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined management's assertion, included in its representation letter dated April 16, 2013 that the Village of Palatine complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2012. Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with statutory requirements.

In our opinion, management's assertion that the Village of Palatine complied with the aforementioned requirements for the year ended December 31, 2012 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, the Village Council, management of the Village, Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

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

Naperville, Illinois  
April 16, 2013