



Name of Municipality: Village of Palatine  
County: Cook  
Unit Code: 016-430-32

Reporting Fiscal Year: **2018**  
Fiscal Year End: **12/31/2018**

## **TIF Administrator Contact Information**

First Name: Reid Last Name: Ottesen  
Address: 200 E Wood St Title: Village Manager  
Telephone: (847) 359-9031 City: Palatine Zip: 60067  
E-mail-  
required findept@palatine.il.us

I attest to the best of my knowledge, that this FY 2018 report of the redevelopment project area(s) in the City/Village of: **Palatine** is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Rid J. Otter

June 10, 2019

Written signature of TIF Administrator

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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.]**

FY 2018

**Name of Redevelopment Project Area (below):****Dundee Road TIF****Primary Use of Redevelopment Project Area\*:**

Retail

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

**If "Combination/Mixed" List Component Types:****Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):**Tax Increment Allocation Redevelopment Act Industrial Jobs Recovery Law **Please utilize the information below to properly label the Attachments.**

	<b>No</b>	<b>Yes</b>
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
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [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 any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).</b>	X	
An 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 attachment I is yes, then Analysis <u>MUST</u> be attached and (labeled Attachment J).</b>	X	
Has a cumulative of \$100,000 of TIF revenue been deposited 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 taxes 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, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).</b>		X
A list of all intergovernmental agreements in effect 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, not actual agreements (labeled Attachment M).</b>	X	

Village of Palatine

Dundee Road TIF

**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.**

**FY 2018**

**Dundee Road TIF**

**TIF NAME:**

Fund Balance at Beginning of Reporting Period

**\$ 7,944,176**

<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	\$ 2,996,847	\$ 55,779,720	71%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 132,660	\$ 3,209,005	4%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 14,252,408	18%
Transfers from Municipal Sources			0%
Private Sources		\$ 5,500,000	7%
Other (identify source _____; if multiple other sources, attach schedule)			0%

**\*must be completed where current or prior year(s) have reported funds**

**Total Amount Deposited in Special Tax Allocation**

**Fund During Reporting Period**

**\$ 3,129,507**

**Cumulative Total Revenues/Cash Receipts**

**\$ 78,741,133 100%**

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

\$ 1,804
\$ 7,672,000
\$ 1,656,000

**Transfers to Municipal Sources**

**Distribution of Surplus**

**Total Expenditures/Disbursements**

**\$ 9,329,804**

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

**\$ (6,200,297)**

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

**\$ 1,743,879**

\* 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 costs)

PAGE 1

SECTION 3.2 A  
PAGE 2

SECTION 3.2 A  
PAGE 3

## Section 3.2 B

FY 2018

**TIF NAME:**

## Dundee Road TIF

***Optional: Information in the following sections is not required by law, but would be helpful in creating fiscal transparency.***

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

**SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d))**

**Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source  
FY 2018**

**TIF NAME:**

## Dundee Road TIF

## FUND BALANCE BY SOURCE

| \$ 1,743,879

Amount of Original Issuance	Amount Designated
--------------------------------	-------------------

## 1. Description of Debt Obligations

**Total Amount Designated for Obligations** \$ - \$ -

## 2. Description of Project Costs to be Paid

**Total Amount Designated for Project Costs** \$ 143,196

**TOTAL AMOUNT DESIGNATED** \$ 143,196

**SURPLUS/(DEFICIT)** \$ 1,600,683

FY 2018

TIF NAME:

Dundee Road TIF

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

**Check here if 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 - 20 ILCS 620/4.7 (7)(F)**  
**PAGE 1**

FY 2018

**TIF NAME:**

**Dundee Road TIF**

Page 1 is to be included with TIF Report. Pages 2 and 3 are to be included **ONLY** if projects are listed.

**Select ONE of the following by indicating an 'X':**

1. <u>NO</u> projects were undertaken by the Municipality Within the Redevelopment Project Area.			
2. The Municipality <u>DID</u> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.) <span style="float: right;">X</span>			
2a. The number of projects undertaken by the municipality within the Redevelopment Project Area:			1

**LIST the projects undertaken by the Municipality Within the Redevelopment Project Area:**

<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)	\$ 450,000	\$ 1,000,000	\$ 2,300,000
Public Investment Undertaken	\$ 1,804	\$ 143,196	\$ 143,196
Ratio of Private/Public Investment	249 41/92		16 6/97

\*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

**Project 1\*: KF Walter Townhome Development**

Private Investment Undertaken (See Instructions)	\$ 450,000	\$ 1,000,000	\$ 2,300,000
Public Investment Undertaken	\$ 1,804	\$ 143,196	\$ 143,196
Ratio of Private/Public Investment	249 41/92		16 6/97

**Project 2\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 3\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 4\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 5\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 6\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Village of Palatine

Dundee Road TIF

**Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. \*even though optional MUST be included as part of complete TIF report**

## SECTION 6

FY 2018

**TIF NAME:** Dundee Road TIF

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

## Year redevelopment

project area was

designated

## Reporting Fiscal Year

EAV

1995	\$ 3,899,242	\$ 34,344,830
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List all overlapping tax districts in the redevelopment project area.

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

\_\_\_\_\_ Check if 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:

11. *What is the primary purpose of the following statement?*

Optional Documents	Enclosed
Legal description of redevelopment project area	
FM2018 District	<b>Section 6</b>

## 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, 2018 and ending December 31, 2018.

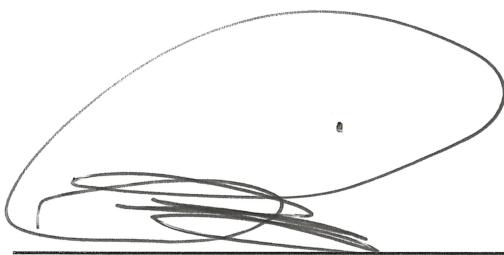
A handwritten signature in blue ink, appearing to read "Jim Schwantz", is written over a horizontal line. Below the line, the name "Jim Schwantz" and the title "Mayor" are printed in a smaller, black, sans-serif font.

June 10, 2019

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, 2018 and ending December 31, 2018, to the best of my knowledge and belief.

A handwritten signature in black ink, appearing to read "Patrick Brankin", is enclosed within a large, roughly oval-shaped outline.

Patrick Brankin  
Village Attorney

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June 10, 2019

Date

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

A 12-unit townhouse development is currently under construction at the northwest corner of Hicks Road and Garden Avenue. The approved project included a Redevelopment Agreement to facilitate the construction of a new storm sewer, which will become a dedicated Village sewer upon completion. The properties that will benefit from the storm sewer project include properties within the TIF District as well as immediately adjacent properties.

**ORDINANCE NO. O-144-18**

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A REDEVELOPMENT  
AGREEMENT BETWEEN THE VILLAGE OF PALATINE AND KF WALTER INC. FOR  
THE PROPERTIES AT 1500, 1532 & 1548 N. HICKS ROAD**

**Published in pamphlet form by authority of the  
Mayor and Village Council of the Village of Palatine  
on December 17, 2018**

ORDINANCE NO. 0-144-18

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A  
REDEVELOPMENT AGREEMENT BETWEEN THE  
VILLAGE OF PALATINE AND KF WALTER INC.  
FOR THE PROPERTIES AT 1500, 1532 & 1548 N. HICKS ROAD

WHEREAS, the Village of Palatine by Ordinance Nos. 0-75-95, 0-76-95, 0-77-95 and passed by the Mayor and Village Council on July 25, 1995 established a Tax Increment Financing District, adopted a Tax Increment Redevelopment Plan for Dundee Road, and designated a Redevelopment Project Area; and

WHEREAS, the Mayor and Village Council have on December 17, 2018, considered the proposed Redevelopment Agreement with KF Walter Inc. for the properties at 1500, 1532 & 1548 N. Hicks Road and have determined that entering into this Agreement furthers the purposes of the Tax Increment Financing District and the Redevelopment Plan for the Dundee Road TIF District and furthers the public interest; and

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

**SECTION 1:** The Village of Palatine hereby authorizes the Mayor to execute the Redevelopment Agreement, attached hereto as Exhibit "A", pursuant to the Tax Increment Financing Act, Section 65 ILCS 5/11-74/4-4(c) and 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.

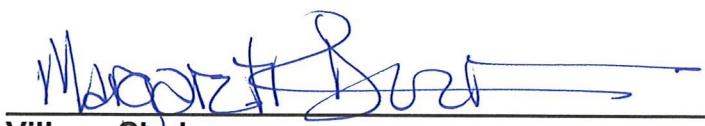
PASSED: This 17 day of December, 2018

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

APPROVED by me this 17 day of December, 2018

  
Mayor of the Village of Palatine

ATTESTED and FILED in the office of the Village Clerk this 17 day of  
December, 2018

  
Village Clerk

## REDEVELOPMENT AGREEMENT

THIS AGREEMENT ("Agreement"), made and entered into as of this 17<sup>th</sup> day of Dec., 2018 ("Agreement Date"), by and between the Village of Palatine, Illinois, an Illinois municipal home rule corporation located in Cook County, Illinois ("Village"), and KF Walter Inc. ("Developer"). The Village and Developer are sometimes referred to individually as a "Party" and collectively as the "Parties".

### WITNESSETH:

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, 1977; and

WHEREAS, to stimulate and induce redevelopment, pursuant to the Act, the Village created the Dundee Road TIF District in the Village of Palatine, Cook County, Illinois"; and

WHEREAS, Developer is the legal title holder of the property located at 1500, 1532 and 1548 N. Hicks Road, Palatine, Illinois, which is legally described on Exhibit "A" (the "Property"); and

WHEREAS, Developer desires to construct 12 residential townhomes on the Property ("Townhome Project"); and

WHEREAS, Developer has been and continues to be unwilling to undertake the redevelopment of the Property but for certain tax increment financing ("TIF") incentives from the Village, which the Village is willing to provide under the terms and conditions contained herein; and

WHEREAS, the Village agrees to finance its share of the costs to be incurred in connection with the foregoing redevelopment by utilizing tax increment financing in accordance with the Act; and

WHEREAS, this Agreement 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 Agreement 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 Agreement have been undertaken and performed in the manner required by law; and

WHEREAS, this Agreement has been submitted to the Developer for consideration and review, the Developer has taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon Developer according to the terms hereof, and any and all action of the President of the Developer precedent to the execution of this Agreement 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 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 Agreement and are hereby incorporated into and made a part of this Agreement as though fully set out in this Article One, and constitute findings, representations and agreements of the Parties.

## ARTICLE TWO

### DEFINITIONS

For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Agreement shall have the meanings provided from place to place herein, including above in the recitals hereto and as follows:

“Act” means the Tax Increment Allocation Redevelopment Act found at 65 ILCS 5-11-74.4-1, et seq.

“Agreement” means this Redevelopment Agreement.

“Change in Law” means the occurrence, after the Effective Date, of an event described in Section (a) below, unless such event is excluded pursuant to Section (b) or Section (c) below:

(a) Change in Law means any of the following: (i) the enactment, adoption, promulgation or modification of any federal, state or local law, ordinance, code, rule or regulation (other than by the Village); (ii) the order or judgment of any federal or state court, administrative agency or other governmental body; (iii) the imposition of any conditions on, or delays in, the issuance or renewal of any governmental license, approval or permit (or the suspension, termination, interruption, revocation, modification, denial or failure of issuance or renewal thereof) necessary for the undertaking of the services to be performed under this Agreement; or (iv) the adoption, promulgation, modification or interpretation in writing of a written guideline or policy statement by a governmental agency (other than the Village).

(b) An event described in Section (a) above shall not be a Change in Law unless the event materially changes the costs or ability of the Party relying thereon to carry out its obligations under this Agreement.

(c) An event which would otherwise be a Change in Law pursuant to Section (a) and Section (b) above shall not be a Change in Law if the event is caused by the fault of the Party relying thereon.

**“Corporate Authorities”** means the Village Mayor and Village Council of the Village of Palatine, Illinois.

**“Day”** means a calendar day.

**“Final Plan”** means the final plan for the redevelopment of the Property, which consists of Site Engineering Plans prepared by Spies & Associates, dated 6/25/18 (Exhibit “B”), as said plans may be revised by the Village Council.

**“Incremental Property Taxes”** means the *ad valorem* taxes, if any, arising from the taxes levied in the Dundee Road TIF District, which taxes are attributable to the increases in the then current equalized assessed valuation (“EAV”) of the property within the Dundee Road TIF District over and above the total Initial EAV of the Property within the TIF District, all as determined by the County Clerk of Cook County, Illinois, pursuant to and in accordance with the Act, the TIF Ordinances and this Redevelopment Agreement, and includes any replacement or amended taxes, subject to the determination thereof on a “per parcel” or a “per area” basis under applicable law.

**“Owner”** means KF Walter, Inc., who is the legal title holder of the Property.

**“Party”** means the Village and/or Developer, as the context requires.

**“Person”** means any individual, corporation, partnership, limited liability company, joint venture, association, trust, or government or any agency or political subdivision thereof, or any agency or entity created or existing under the compact clause of the United States Constitution.

“Project” means the 12 unit residential townhome project and the Off-Site Storm Sewer System hereinafter defined, in accordance with the Site Engineering Plan attached as Exhibit B.

“Redevelopment Project Area” means the Dundee Road TIF District created by the TIF Ordinances.

“State” means the State of Illinois.

“Townhome Project” means the twelve (12) unit residential townhome project in accordance with the Site Plan attached as Exhibit B.

“Uncontrollable Circumstance” means any event which:

- (a) is beyond the reasonable control of and without the fault of the Party relying thereon; and
- (b) includes, but is not limited to, the following events:
  - (i) a Change in Law;
  - (ii) insurrection, riot, civil disturbance, sabotage, act of the public enemy, explosion, nuclear incident, war or naval blockade;
  - (iii) epidemic, hurricane, tornado, landslide, earthquake, lightning, fire, windstorm, other extraordinary weather condition or other similar Act of God;
  - (iv) governmental condemnation or taking other than by the Village;
  - (v) strikes or labor disputes, other than those caused by the unlawful acts of Developer.

Uncontrollable Circumstance shall not include economic hardship, or impracticability of performance, commercial or economic frustration of purpose, unavailability of materials, strikes or

labor disputes caused by the unlawful acts of Developer or a failure of performance by a contractor (except as caused by events which are Uncontrollable Circumstances as to the contractor).

“Village” means the Village of Palatine, Illinois, an Illinois municipal corporation.

### ARTICLE THREE

#### CONSTRUCTION

This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- (a) Definitions include both singular and plural.
- (b) Pronouns include both singular and plural and cover all genders.
- (c) The word “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”.
- (d) Headings of Sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- (e) All exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement. In the event of a conflict between any exhibit and the terms of this Agreement, this Agreement shall control.
- (f) Any certificate, letter or opinion required to be given pursuant to this Agreement means a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth. Reference herein to supplemental agreements, certificates,

demands, requests, approvals, consents, notices and the like means that such shall be only written whether or not a writing is specifically mentioned in the context of use.

(g) The Village Manager, unless applicable law requires action by the Village Mayor and Village Council, shall have the power and authority to make or grant or do those things, supplemental agreements, certificates, requests, demands, approvals, consents, notices and other actions required or described in this Agreement for and on behalf of the Village and with the effect of binding the Village as limited by and provided for in this Agreement. Notwithstanding anything herein to the contrary, the Village Manager is hereby authorized to take those actions specified herein to be taken by the Village, or any other officer of the Village, related to this Agreement. Developer is entitled to rely on the full power and authority of the persons executing this Agreement on behalf of the Village as having been properly and legally given by the Village.

(h) In connection with the foregoing and other actions to be taken under this Agreement, unless applicable documents require action by Developer in a different manner, Developer hereby designates Gregory Rose as its authorized representative who shall have the power and authority to make or grant or do all things, supplemental agreements, certificates, requests, demands, approvals, consents, notices and other actions required or described in this Agreement for and on behalf of Developer and with the effect of binding Developer in that connection, such individual being the "Authorized Developer Representative".

## ARTICLE FOUR

### TIF ASSISTANCE TO DEVELOP THE PROPERTY

4.1 **Total TIF Benefit.** Development of the Project involves difficulty in designing the storm water detention and storm water outfall for the Project. The only practical way to design the off-site storm water sewer and outfall is to run the sewer lines a fairly long distance west along E. Garden Avenue, then South down S Elm Street approximately 600 feet into an existing storm sewer on Home Avenue ("Off-Site Storm Sewer System"). Construction of the Off-Site Storm Sewer System will provide a substantial improvement over the current storm sewer system in the neighborhood south and west of the Property. The cost of construction of the Off-Site Storm Sewer System substantially impacts the economic viability of this Project if no public financial assistance is provided. As a result of the major improvements provided by the Off-Site Storm Sewer System to be constructed by Developer that will benefit the neighborhood to the south and west, the Village has agreed to consider providing TIF assistance to the Project. The Village agrees to provide financial TIF assistance to Developer in the form of cash payments to cover TIF Eligible costs involved in the land acquisition and on site development of the Property. The Village's total financial TIF assistance shall not exceed thirty seven percent (37%) of the Developer's actual incremental cost of that section of the Off-Site Storm Sewer System that is located approximately six hundred feet south of S. Elm Street extending south to Home Avenue as more clearly depicted on Exhibit C attached hereto. Notwithstanding the foregoing, in no event shall said amount exceed One Hundred Twenty Thousand Dollars (\$120,000.00), payable as set forth in subsection 4.2 below. Developer's TIF assistance payments shall be subject to Developer submitting copies of a closing statement confirming the cost paid for the land acquisition, or paid invoices, proof of payment,

associated final lien waivers for TIF Eligible aspects of development of the Project in an amount at least equal to the amount being requested by Developer for reimbursement, and any other documentation deemed reasonably necessary by the Village Attorney to establish that the Off-Site Storm Sewer System improvements have been made ("Proof of TIF Eligible Expenses"), all of which shall be subject to approval by the Village Attorney, which approval shall not be unreasonably withheld.

**4.2 TIF Payments.**

(a) The TIF Payments shall be paid by the Village to Developer after the Off-Site Storm Sewer System has been constructed, is operational, and passed any and all required inspections. Prior to the Village's TIF payment, Developer shall provide the Village with proof of completion of construction of the Off-Site Storm Sewer System, proof of payment as set forth in Section 4.1 above and a Bill of Sale for the entire storm sewer system constructed off site of the Property.

(b) Condition of Payments. This Agreement shall not constitute a debt of the Village within the meaning of any constitutional statutory provision or limitation. Because the Special Tax Allocation Fund is a special fund, the aforesaid deposits into the Special Tax Allocation Fund shall not be subject to the appropriation process of the Corporate Authorities of the Village and the amounts deposited therein shall be disbursed in accordance with this Agreement without further action of the Corporate Authorities.

**ARTICLE FIVE**

## VILLAGE COVENANTS AND AGREEMENTS

**Village Cooperation.** The Village agrees to cooperate with Developer in Developer's attempts to obtain all necessary approvals from any other governmental or quasi-governmental entity.

### ARTICLE SIX

#### DEVELOPER'S COVENANTS AND AGREEMENTS

##### **6.1 Developer's Obligations.**

- (a) As part of the construction and development of the Project, Developer shall construct and install the Off-Site Storm Sewer System from the southwest corner of the Property, west to S. Elm Street and then south down S. Elm Street to Home Avenue and connect into the existing storm sewer on Home Avenue according to the final engineering plans approved by the Village Engineer.
- (b) Developer shall at all times acquire, install, construct, and operate the Project in conformance with all applicable laws, rules, ordinances and regulations. All work with respect to the Project shall conform to all applicable federal, state and local laws, regulations and ordinances, including, but not limited to, zoning, subdivision and building codes, environmental codes, life safety codes, property maintenance codes and any other applicable codes and ordinances of the Village. Developer has examined and is familiar with all the covenants, conditions, restriction, building regulations, zoning ordinances property maintenance regulations, environmental regulations and land use regulations, codes, ordinances, federal, state and local ordinance, and the like, and represents and warrants that the Project will be developed in accordance with same.

- (c) Developer shall meet with the Village Council and make presentations to the Village as requested by the Village to keep Village apprised of the progress of the development.
- (d) Developer shall designate Gregory Rose as its representative with full power and authority to meet with Village staff for purposes of coordinating and implementing obligations of the Parties under this Agreement.
- (e) Developer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and standing as an Illinois corporation authorized to do business in the State of Illinois, so long as Developer maintains an interest in the Property or has any other remaining obligation pursuant to the terms of this Agreement.
- (f) Developer, for itself, its successors and assign, agrees to indemnify, defend and hold the Village, Mayor, Village Council Members, officers, agents and employees harmless from and against any losses, costs, damaged, liabilities, claims suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the Village which are caused as a result of:
  - (1) the failure of Developer to comply with any of the terms, covenants or conditions of this Agreement; and
  - (2) the failure of Developer or any contractor to pay contractors, subcontractors or materialmen in connection with the Project; or
  - (3) material misrepresentations or omissions of Developer relating to the Project and this Agreement which are the result of information supplied or omitted by Developer or by its agents, employees, contractors or persons acting under the control or at the request of Developer; or

- (4) the failure of Developer to cure any material misrepresentations or omissions of Developer in this Agreement relating to the Project; or
- (5) any claim or cause of action for injury or damage brought by a third party arising out of the construction of the Project by Developer; or
- (6) any violation by Developer or any other person of state or federal securities law in connection with the offer and sale of interests in Developer or any part of Project, except for information provided by the Village.

The provisions of this Sub-section (i) shall not apply to a loss which arises out of intentional misconduct on the part of the indemnified party seeking indemnification, or a loss or portion thereof, or which arises, in whole or in part, out of negligence on the part of such indemnified party, but only to the extent that such indemnified party's misconduct or negligence contributed to the loss, or that the loss is attributable to such indemnified party's misconduct or negligence.

- (g) All sales contracts and leases shall be made specifically subject to the terms of this Agreement during the period of time this Agreement remains in effect.

## ARTICLE SEVEN

### ADDITIONAL COVENANTS AND AGREEMENTS OF THE PARTIES.

7.1 The Parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required for carrying out the intention of or facilitating the performance of this Agreement.

7.2 Developer covenants that no officer, stockholder, employee or agent of Developer, or any other person connected with Developer, has made, offered or given, either directly or indirectly, to the Mayor, any Council member, or any officer, employee or agent of the Village, or any other person connected with the Village, any money or anything of value as a gift or bribe or other means of influencing his or her action in his or her capacity with the Village.

7.3 This Agreement may not be assigned by Developer until completion of the Off-Site Storm Sewer System ("Conditional Assignment Term"), including all public improvements necessary in connection therewith, without the express written consent of the Village, which consent shall not be unreasonably withheld by the Village during the Conditional Assignment Term. Any proposed assignee of any of Developer's obligations under this Agreement shall have the qualifications, financial responsibility, reputation and character necessary, adequate and desirable to fulfill the completion of the Project. The proposed assignee shall execute a contractual undertaking agreeing to adhere to the terms and conditions of this Agreement, as they apply to said assignee, and shall submit such information, including financial information, as may be reasonably requested by the Village. Before any permissible assignment shall be of any force and effect, Developer shall give notice of such proposed assignment to the Village, and the Village shall have thirty (30) days to accept or reject such assignee. In the event the

Village rejects such assignee as not fulfilling the requirements of this Section, the Village shall state the reasons therefore. If the Village does not respond to the notice of such intended assignment within such thirty-(30) day period, such assignment shall be deemed approved. No part of this Section shall prevent the collateral assignment hereof to Developer's construction lender or permanent lender, if required thereby.

## ARTICLE EIGHT

### BOUNDARIES OF THE TIF REDEVELOPMENT PROJECT AREA AND PLAN AMENDMENTS.

The Village reserves the right to alter the boundaries of the Redevelopment Project Area, and make other modifications to the TIF Redevelopment Project Area as the Village deems necessary; provided, however, that such alteration is undertaken in accordance with the provisions of the Act; and also provided that there is no cost or financial obligation to Developer.

## ARTICLE NINE

### LIMITED OBLIGATIONS

The obligations of the Village under this Agreement are not general obligations of the Village, the County, the State nor any political subdivision thereof; it being understood that these obligations are being incurred in connection with the Redevelopment Plan and are limited as set forth therein and the Village shall have no responsibility to pay such obligations except from the allocation of the TIF Revenue Stream. Neither the full faith and credit nor the general taxing power of the Village will be available or used to meet the obligations contained in this Agreement.

## ARTICLE TEN

### REPRESENTATIONS AND WARRANTIES OF DEVELOPER

Developer represents, warrants and agrees as the basis for the undertakings on its part herein contained that:

10.1 Developer is an Illinois corporation duly organized and existing under the laws of the State of Illinois, authorized to do business in Illinois and is authorized to and has the power to enter into, and by proper action has been duly authorized to execute, deliver and perform, this Agreement. The execution delivery and performance by Developer of this Agreement shall not, by the lapse of time, by the giving of notice or otherwise, constitute a violation of any applicable law or breach of any provision contained in the Developer's organizational documents, or any instrument or document to which Developer is now a party or by which it is bound. Developer is now solvent and able to pay its debts as they mature. There are no actions at law or similar proceedings which are pending or, to Developer's knowledge, threatened against Developer which would result in any material and adverse change to Developer's financial condition, or which would materially and adversely affect the level of Developer's assets as of the date of this Agreement, or that would materially or adversely affect the ability of Developer to proceed with the construction and development of the Project

10.2 Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement conflicts with or results in a breach of any of the terms, conditions or provisions of any offering or disclosure statement made or to be made on behalf of Developer, any restriction, agreement or instrument to which Developer or any of its partners or venturers is now a party or by which Developer or any of its partners or its venturers is bound, or constitutes a default under any of the

foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the assets or rights pursuant to this Agreement of Developer, any related party or any of its venturers under the terms of any instrument or agreement to which Developer, any related party or any of its partners or venturers is now a party or by which Developer, any related party or any of its venturers is bound.

10.2 There are no lawsuits either pending or, to the best of Developer's knowledge, threatened that would materially and adversely affect the ability of Developer to proceed with the construction and development of Project on the Property.

## ARTICLE ELEVEN

### REPRESENTATIONS AND WARRANTIES OF THE VILLAGE

The Village represents, warrants and agrees as the basis for the undertakings on its part herein contained that:

11.1 The Village is a municipal corporation duly organized and validly existing under the law of the State of Illinois, is a home rule unit of government, and has all requisite corporate power and authority to enter into this Agreement.

11.2 The execution, delivery and the performance of this Agreement and the consummation by the Village of the transactions provided for herein and the compliance with the provisions of this Agreement (i) have been duly authorized by all necessary corporate action on the part of the Village, (ii) require no other consents, approvals or authorizations on the part of the Village in connection with the Village's execution and delivery of this Agreement, and (iii) shall not, by lapse of time, giving of

notice or otherwise result in any breach of any term, condition or provision of any indenture, agreement or other instrument to which the Village is subject.

**11.3** To the best of the Village's knowledge, there are no proceedings pending or threatened against or affecting the Village or the Redevelopment Project Area in any court or before any governmental authority which involves the possibility of materially or adversely affecting the ability of the Village to perform its obligations under this Agreement.

**11.4** The Village hereby agrees to permit the connection of all water lines, sanitary and storm sewer lines constructed in the Project Area or Village utility lines existing or constructed in the Property or near the perimeter of the Property, provided that Developer complies with all requirements of general applicability promulgated by the Village for such connections.

**11.5** The Village hereby agrees to timely consider land use approvals required for the Townhome Project.

**11.6** The Village hereby agrees that Developer shall be obligated to pay, in connection with the development of the Project only those building, permit, engineering, tap on, inspection fees and other applicable fees that are assessed on a uniform basis throughout the Village and are of a general applicability to other property within the Village, or which shall be the responsibility of the Village even though such portions of the Project may be performed by Developer at the request and direction of the Village.

## ARTICLE TWELVE

### EVENTS OF DEFAULT AND REMEDIES

12.1 Events of Default. The following shall be Events of Default with respect to this Agreement prior to the Expiration Date:

- (a) If any material representation made by Developer in this Agreement, or in any certificate, notice, demand or request made by a party hereto, in writing and delivered to the Village pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made; provided, however, that such default shall constitute an Event of Default only if Developer does not remedy the default, within thirty (30) days after written notice from the Village.
- (b) Default by Developer in the performance or breach of any material covenant contained in this Agreement concerning the existence, structure or financial condition of Developer; provided, however, that such default or breach shall constitute an Event of Default if Developer does not, within thirty (30) days after written notice from the Village, initiate and diligently pursue appropriate measures to remedy the default.
- (c) Default by Developer in the performance or breach of any material covenant, warranty or obligation contained in this Agreement; provided, however, that such default shall constitute an Event of Default only if the Developer does not, within thirty (30) days after written notice from the Village, remedy the default.
- (d) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency

or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days.

- (e) The commencement by Developer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by Developer to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Developer or of any substantial part of Developer's property, or the making by any such entity of any assignment for the benefit of creditors or the failure of Developer generally to pay such entity's debts as such debts become due or the taking of action by Developer in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others and not dismissed within 60 consecutive days.
- (f) Any representation or warranty of Developer is not true for a period of 30 days after written notice from the Village.
- (g) Failure to have funds to meet Developer's obligations to complete the Project.
- (h) Sale, assignment, or transfer of the Property except in accord with this Agreement.
- (i) Developer abandons Project prior to completion of the Off-Site Storm Sewer.

## ARTICLE THIRTEEN

### REMEDIES FOR DEFAULT

In the case of default by any Party, hereunder:

13.1 The defaulting Party shall, upon written notice from the non-defaulting Party, take action to cure or remedy such default. If, in case any monetary default is not cured within thirty days of receipt of a written notice of default or, if in the case of a non-monetary default, action is not taken or not diligently pursued, or if action is taken and diligently pursued but such default or breach shall not be cured or remedied within a reasonable time, but in no event more than ninety additional days unless extended by mutual agreement, the non-defaulting Party may institute such proceedings as may be necessary or desirable, in its opinion, to cure or remedy such default or breach, including but not limited to, proceedings to compel specific performance of the defaulting Party's obligations under this Agreement.

13.2 In the case of default by Developer, in addition to any other remedies at law or equity, the Village shall be relieved of its obligations under this Agreement, including but not limited to, its obligations to make any payment to Developer.

13.3 In the event a default is not cured within the applicable cure period, and the Parties employ an attorney or attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligations or agreements herein contained, the non-prevailing Party shall pay, on demand, the prevailing Party's reasonable fees of such attorneys and such other reasonable expenses in connection with such enforcement action.

13.4 Any delay by either Party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under this Agreement, shall not operate, to act as a waiver of such rights or to deprive it of or, limit such rights in any such way, it being the intent of this provision that neither Party shall be deprived of or limited in the exercise of the remedies provided in this Agreement because of concepts of waiver, laches or otherwise, nor shall any waiver in fact made with respect to any specific

Event of Default be considered or treated as a waiver of the rights by the waiving party of any future Event of Default hereunder, except to the extent specifically waived in writing. No waiver made with respect to the performance, nor the manner or time thereof, of any obligation or any condition under the Agreement shall be considered a waiver of any rights except if expressly waived in writing.

**13.5** The rights and remedies of the Village to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the exercise by the Village of any one or more of such remedies shall not preclude the exercise by it, at the time or different times, of any other such remedies for the same Event of Default. No waiver made with respect to the performance, nor the manner or time thereof, of any obligation of Developer or any condition under the Agreement shall be considered a waiver of any rights of the Village with respect to the particular obligation of Developer or condition beyond those expressly waived in writing.

## ARTICLE FOURTEEN

### EQUAL EMPLOYMENT OPPORTUNITY.

**14.1** Developer will not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex or national origin. Developer will take affirmative action to ensure that applicants are employed and treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rate of pay or other forms of compensation and selection for training, including apprenticeship. Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Village setting forth the provisions of this nondiscrimination clause.

**14.2** Developer will, in all solicitations or advertisements for employees placed by or on behalf of Developer, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

**14.3** Any contracts made by Developer with any general contractor, agent, employee, independent contractor or any other Person in connection with the Redevelopment Project shall contain language similar to that recited in Section 14.1 and 14.2 above.

## ARTICLE FIFTEEN

### MISCELLANEOUS PROVISIONS.

In the event Developer or the Village shall be prohibited, in any material respect, from performing covenants and agreements or enjoying the rights and privileges herein contained, or contained in the Redevelopment Plan, including Developer's duty to build the Project, by the order of any court of competent jurisdiction or as a result of an Uncontrollable Circumstance, or in the event that all or any part of the Act or any ordinance adopted by the Village in connection with the Project, shall be declared invalid or unconstitutional, in whole or in part, by a final decision of a court of competent jurisdiction and such declaration shall materially affect the Project or the covenants and agreements or rights and privileges of Developer or the Village, then and in any such event, the party so materially affected may, at its election, cancel or terminate this Agreement by giving written notice thereof to the other within sixty (60) days after such final decision or amendment. To the extent it is then appropriate, the Village, at its option, may also terminate its duties, obligation and liability under all or any related documents and agreements; provided, however, that the cancellation or termination

of this Agreement shall have no effect on the Site Plan and Special Use authorizations granted to Developer pursuant to the Final Plans.

## ARTICLE SIXTEEN

## 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.

With a copy to: Village of Palatine  
200 E Wood Street  
Palatine, IL 60067  
Attn: Village Manager

With a copy to: Schain, Banks, Kenny & Schwartz  
70 W. Madison Street, Suite 5300  
Chicago, IL 60602  
Attn: Patrick T. Brankin

If to Developer: K F Walter Inc.  
21 N. Brockway, Suite 201  
Palatine, IL 60067  
Attn: Gregory Rose

With a copy to: O'Donnell, Callaghan & Haddad, LLC  
28045 N Ashley Circle, Suite 101  
Libertyville, IL 60048  
ATTN: Deborah T. Haddad

The Parties, by notice hereunder, may designate any further or different addresses to which subsequent notices, certificates, approvals, consents or other communications shall be sent. Any notice, demand or request sent pursuant to clause (a) shall be deemed received upon such personal service. Any notice, demand or request sent pursuant to clause (b) shall be deemed received on the day immediately following deposit with the overnight courier, and any notices, demands or requests sent pursuant to clause (c) shall be deemed received forty-eight (48) hours following deposit in the mail.

## ARTICLE SEVENTEEN

### MISCELLANEOUS PROVISIONS

- 17.1 Time is of the essence of this Agreement.
- 17.2 This Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the Parties.
- 17.3 This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.
- 17.4 The parties agree to record this Agreement or a short form Memorandum hereof in the appropriate land or governmental records.
- 17.5 If any provision of this Agreement, or any Section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held to be invalid, the remainder of this Agreement shall be

construed as if such invalid part were never included herein, and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

17.6 This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

17.7 This Agreement (together with the exhibits attached hereto) is the entire contract between the Village and Developer relating to the subject matter hereof, supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the Village and Developer relating to the subject matter hereof, and may not be modified or amended except by a written instrument executed by the Parties hereto.

17.8 Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the Village and Developer, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to either the Village or Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the Village or Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

17.9 Any party to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

17.10 The Village and Developer each covenants and agrees that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably

required for the better clarifying, assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the Village or Developer or other appropriate persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

**17.11** No Party to this Agreement may assign its rights under this Agreement to any other person without the express written approval of the Village.

**17.12** Nothing in this Agreement, or any actions of the Parties to this Agreement, 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.

**17.13** No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of the Mayor, Village Council member, Village Manager, any official, officer, partner, member, director, agent, employee or attorney of the Village or any Party, in his or her individual capacity, and no official, officer, partner, member, director, agent, employee or attorney of the Village or any Party shall be liable personally under this Agreement 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 Agreement, or any failure in that connection.

**17.14** This Agreement shall be binding upon and insure to the benefit of the parties hereto and their respective authorized successors and assigns. Developer may not assign its rights under this Agreement without the express written approval of the Village, except that Developer may assign rights under this Agreement for collateral purposes, but only with the Village's written consent which shall not be unreasonably withheld. Nothing herein contained shall be construed as a prohibition

against Developer assigning or conveying any property in the Redevelopment Project Area after construction of Off-Site Storm Sewer System has been completed.

17.15 This Agreement shall remain in full force and effect until the payment is made by the village to the developer.

17.16 All municipal commitments are limited to the extent of the law.

17.17 Developer agrees to comply with the applicable provisions, if any, of the Illinois State law providing for the payment of the prevailing rate of wage with respect to work on any portion of the Project that is required under the Prevailing Wage Act to be paid the prevailing rate of wage.

## ARTICLE EIGHTEEN

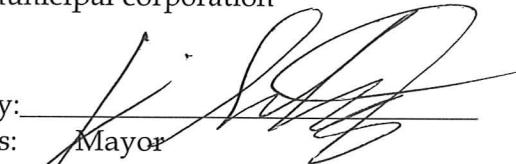
### EFFECTIVENESS

The effective date for this Agreement shall be the day on which this Agreement is fully executed pursuant to a duly enacted Village ordinance authorizing the execution of an adoption of this Agreement.

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

VILLAGE OF PALATINE, an Illinois municipal corporation

By: \_\_\_\_\_  
Its: Mayor



ATTEST:

By:   
Its: Village Clerk

DEVELOPER  
KF WALTER INC.

By:   
Its: Kevin Franz  
President

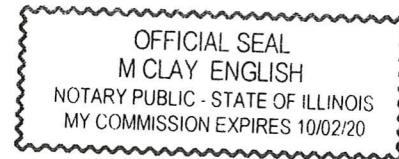
STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK\_ )

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Kevin Franz, personally known to me to be the President of KF Walter Inc., and personally known to me to be the same persons whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President and Secretary, he signed and delivered said instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to the authority given by the Board of Directors of the Corporation, as his free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 19<sup>th</sup> day of December, 2018.

Notary Public

My Commission Expires: 10/21/20



## EXHIBIT LIST

### EXHIBIT

- A      Property Legal Description and Common Address
- B.      Final Plan
- C.      Off-Site Storm Sewer Route

**EXHIBIT A**

**LEGAL DESCRIPTION**

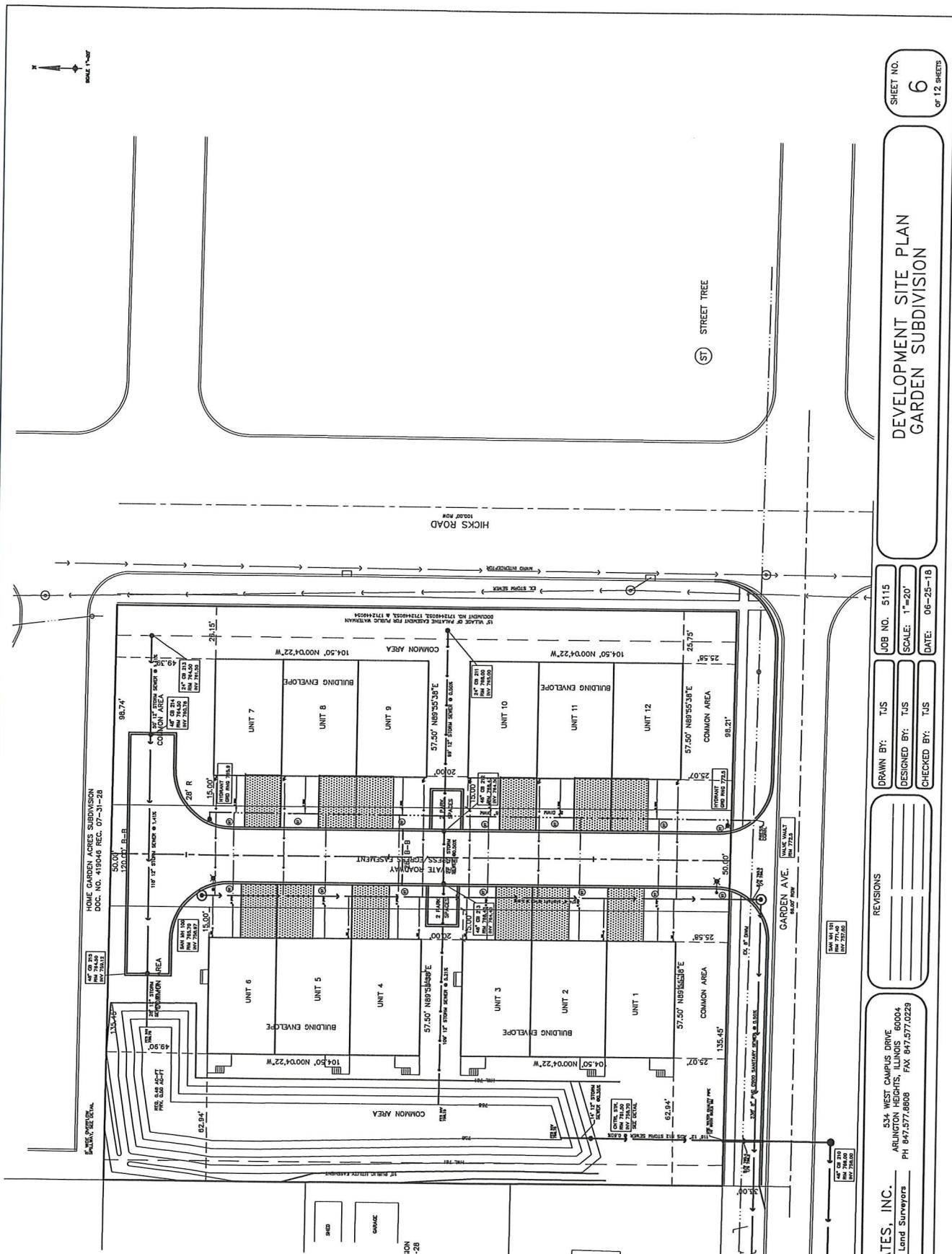
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Lot 12 in Block 1 in Home Garden Acres, being a subdivision of the Northeast 1/4 of the Northwest 1/4 of Section 11, Township 42 North, Range 10 East of the Third Principal Meridian, in Cook County, Illinois.

Lot 13 in Block 1 in Home Garden Acres, being a subdivision of the Northeast 1/4 of the Northwest 1/4 of Section 11, Township 42 North, Range 10 East of the Third Principal Meridian, in Cook County, Illinois.

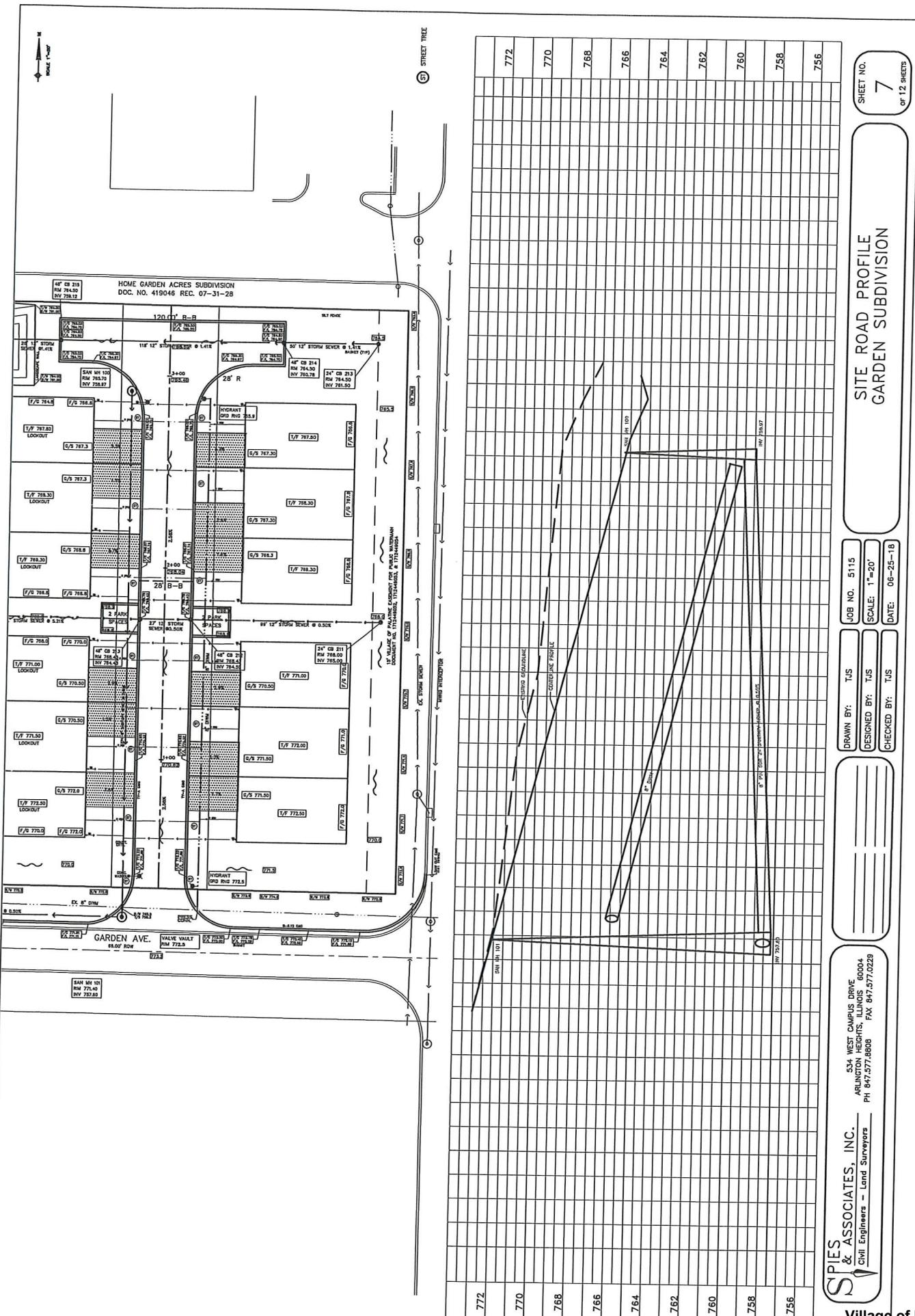
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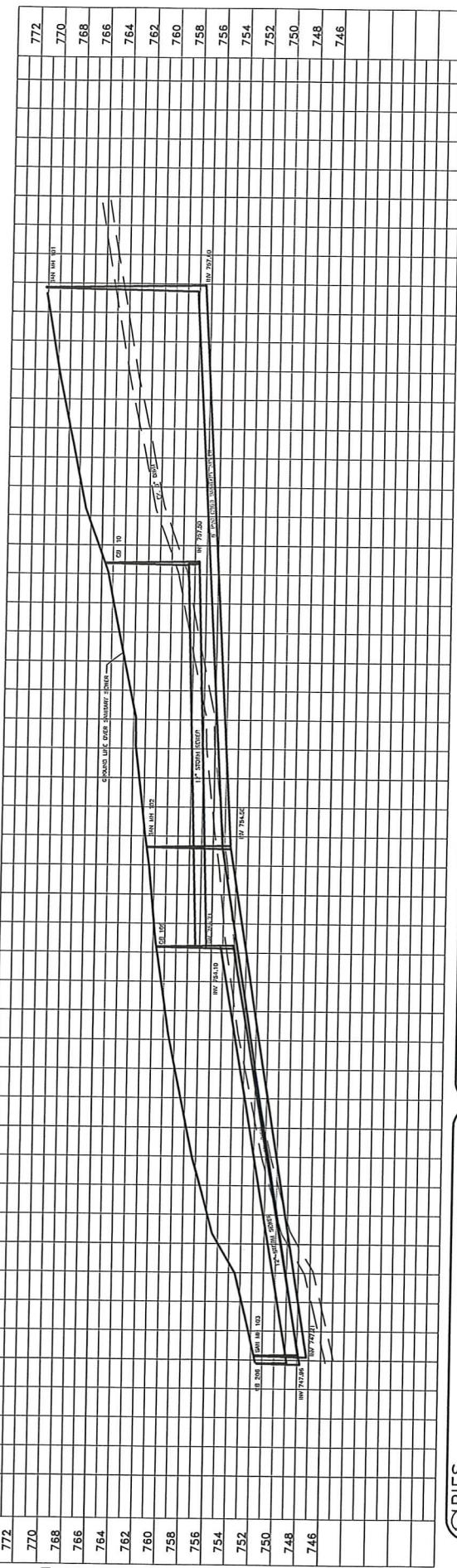
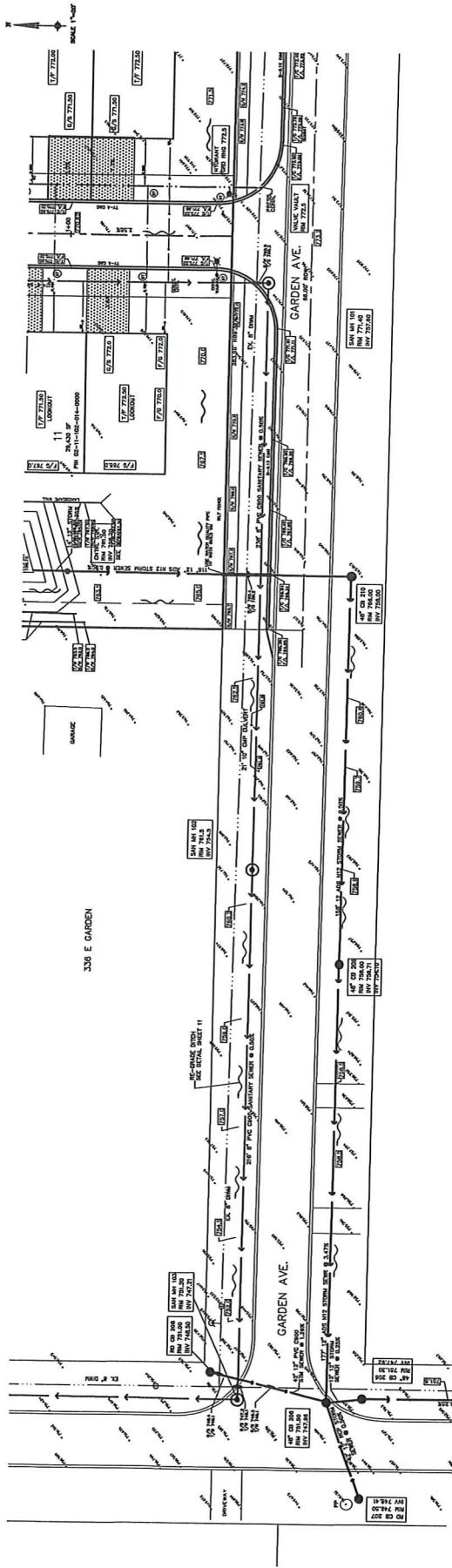
EXHIBIT B  
FINAL PLAN



**SPIES & ASSOCIATES, INC.**  
Civil Engineers - Land Surveyors

Village of Palatine  
Dundee Road TIF





**NPIES**  
& ASSOCIATES, INC.  
Civil Engineers - Land Surveyors

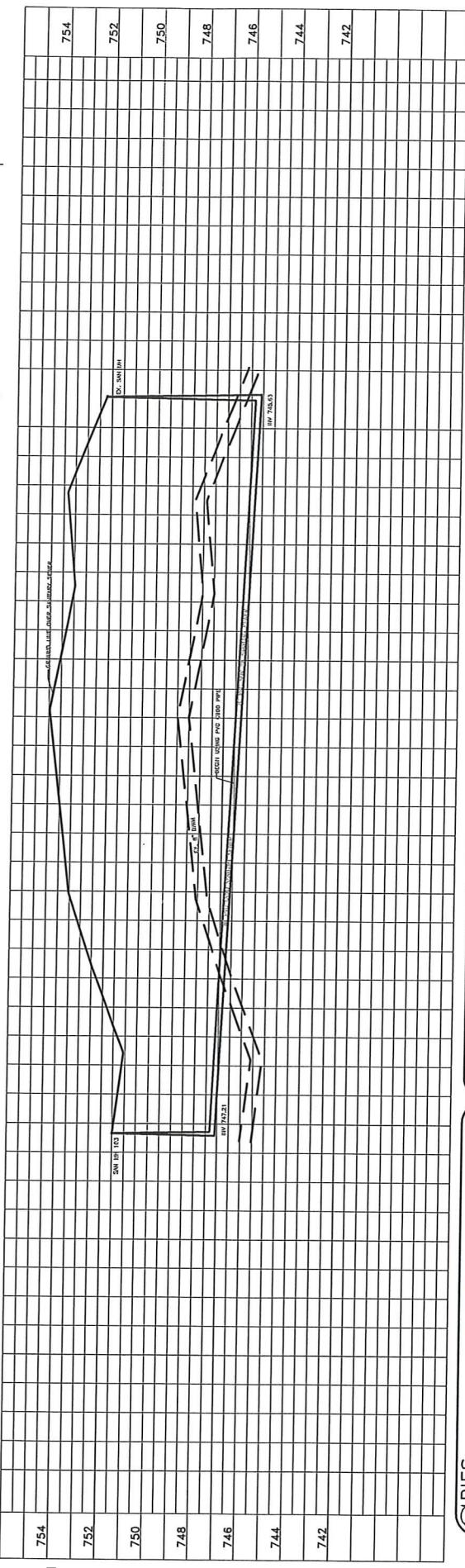
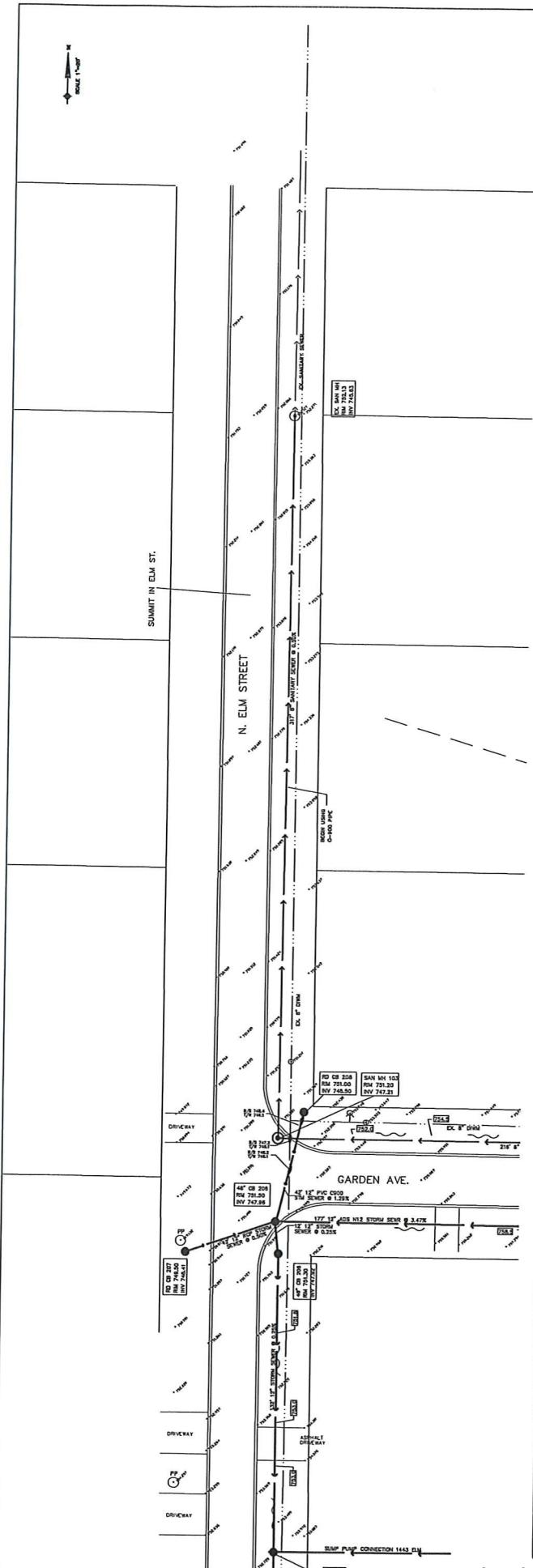
CAMPUS DRIVE  
CHTS, ILLINOIS 60004  
FAX 847.577.0229

DRAWN BY:	TJS	JOB NO.	5115
DESIGNED BY:	TJS	SCALE:	1"=20'

GARDEN AVENUE PROFILE  
GARDEN SUBDIVISION

SHEET NO. 8

**Attachment E**



**SPIES**  
& ASSOCIATES, INC.  
Civil Engineers - Land Surveyors

**Village of Palatine  
Dundee Road TIF**

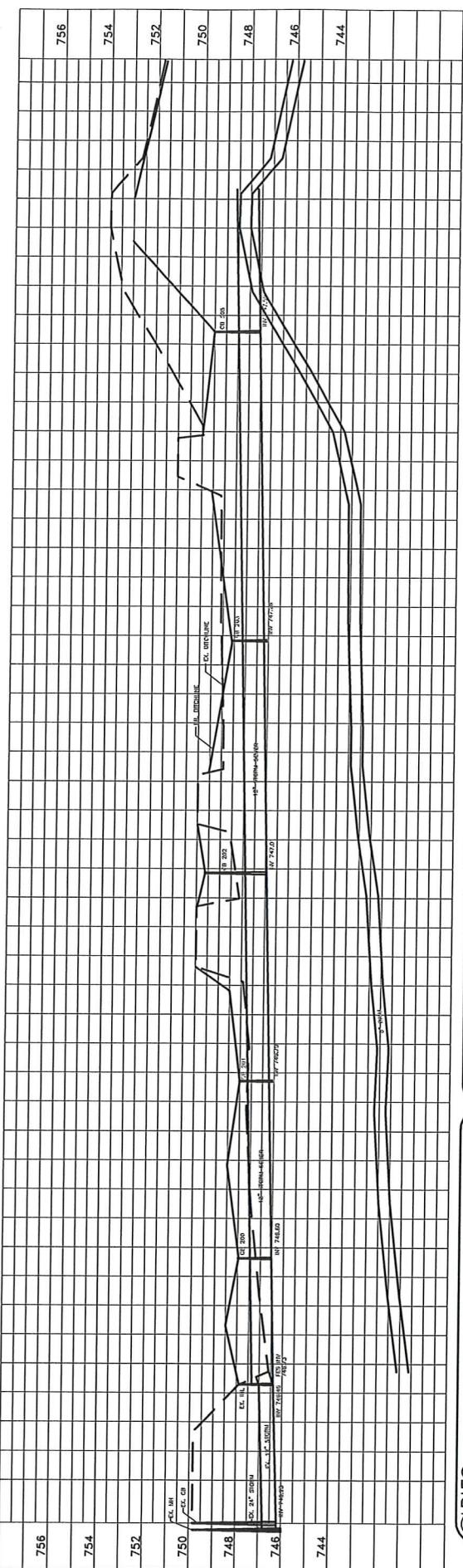
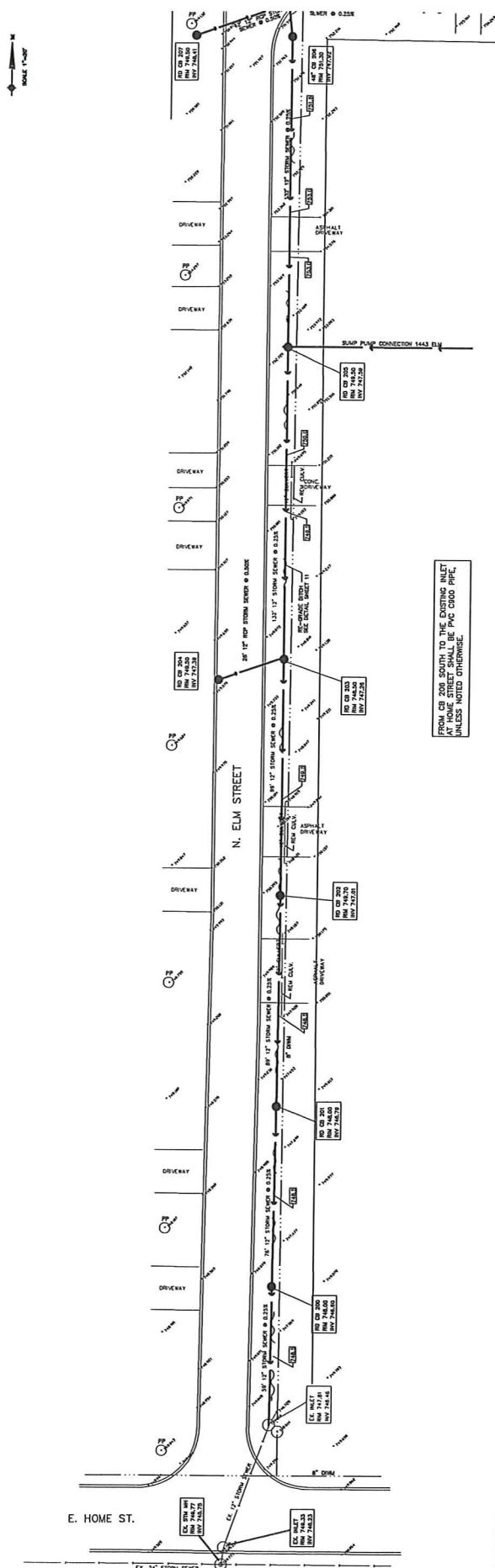
SHEET NO. 9  
OF 12 SHEETS

N. ELM STREET PROFILE  
GARDEN SUBDIVISION

DRAWN BY:	TJS	JOB NO.	5115
DESIGNED BY:	TJS	SCALE:	1"=20'
CHECKED BY:		DATE:	06-25-18

534 WEST CAMPUS DRIVE  
ARLINGTON HEIGHTS, ILLINOIS 60004  
847.577.8808 FAX 847.577.0229

**C & ASSOCIATES, INC.**  
Civil Engineers - Land Surveyors



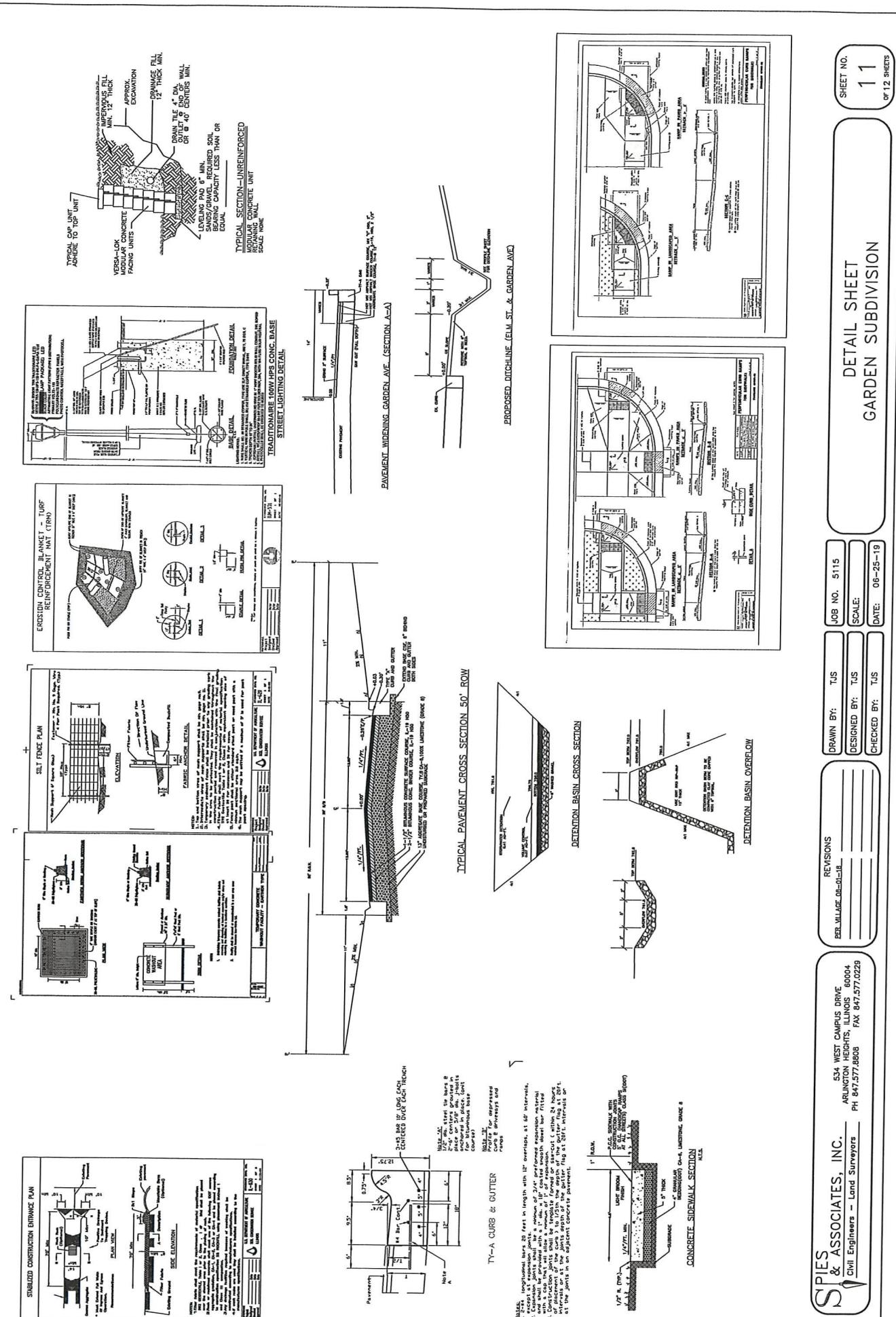
**SPIES & ASSOCIATES, INC.**  
Civil Engineers - Land Surveyors

**N. ELM STREET PROFILE  
GARDEN SUBDIVISION**

DRAWN BY:	TJS	JOB NO.	5115
DESIGNED BY:	TJS	SCALE:	1"=20'
CHECKED BY:	TJS	DATE:	06-25-18

534 WEST CAMPUS DRIVE  
ARLINGTON HEIGHTS, ILLINOIS 60004  
PH 847.577.8808 FAX 847.577.0229

Village of Palatine  
Dundee Road TIF



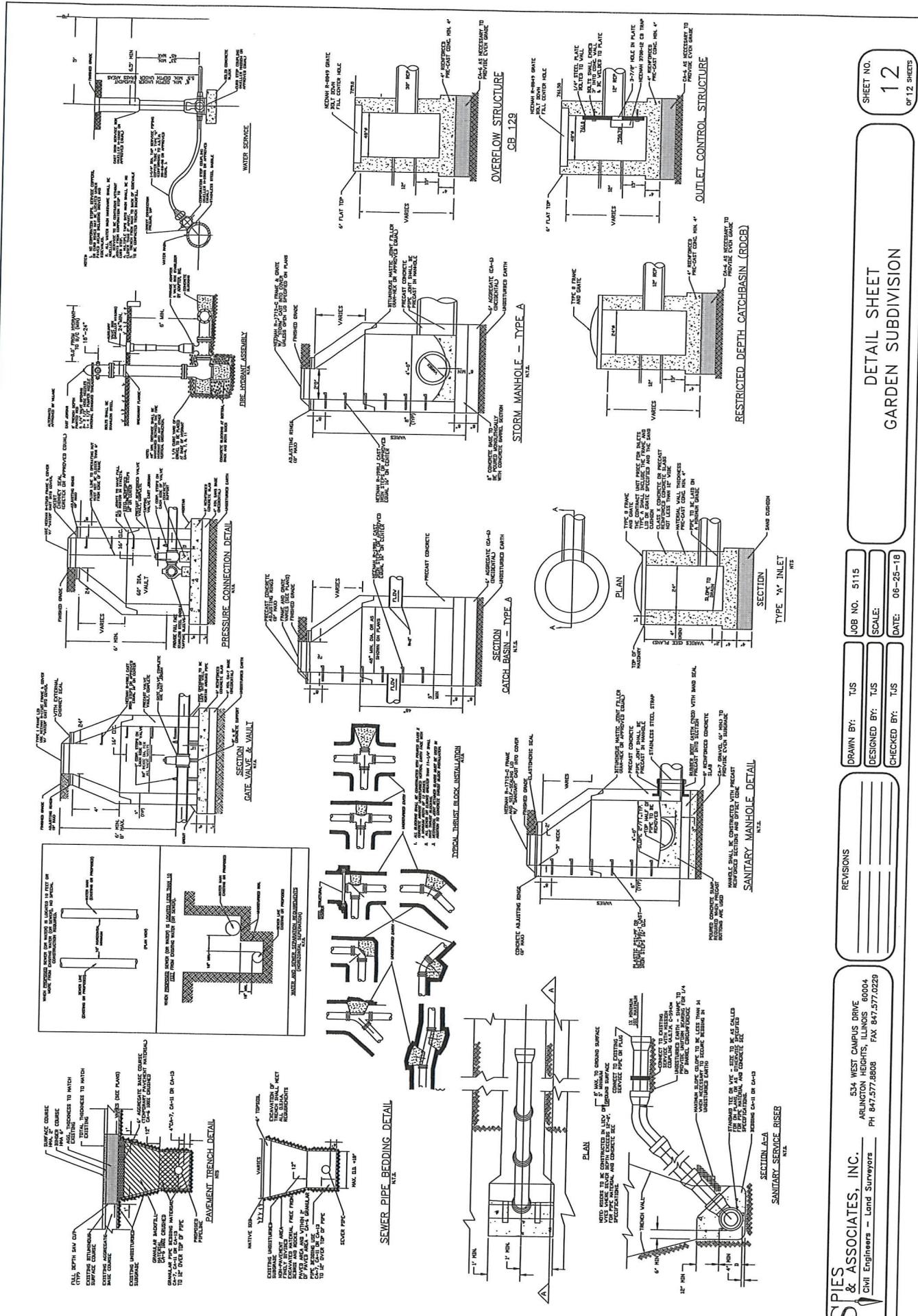


EXHIBIT C  
OFF-SITE STORM SEWER ROUTE

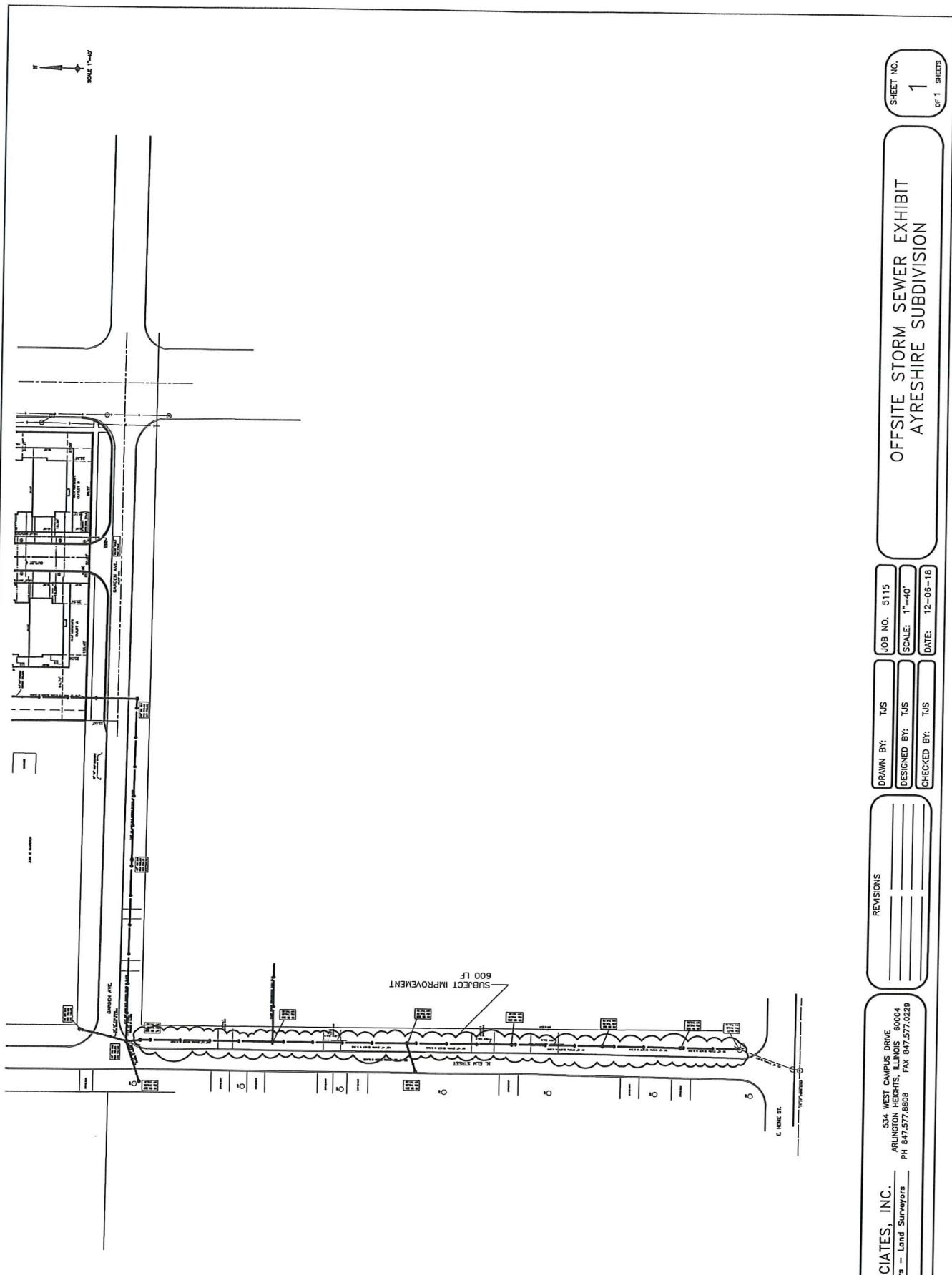


Exhibit C



1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

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## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION**

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Palatine, Illinois (the Village) as of and for the year ended December 31, 2018, which collectively comprise the basic financial statements of the Village, and have issued our report thereon dated May 31, 2019, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion 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 Cook Tax Increment Financing District Fund) of revenues, expenditures, and changes in fund balance) is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

*Sikich LLP*

Naperville, Illinois  
May 31, 2019

## **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, 2018

	Dundee Road TIF	Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF	Rand/Lake Cook TIF
<b>REVENUES</b>					
Taxes					
Incremental property taxes	\$ 2,996,847	\$ 315,439	\$ 6,015,269	\$ 3,019,601	\$ 210,198
Investment income	132,660	14,583	90,880	71,087	4,754
 Total revenues	 3,129,507	 330,022	 6,106,149	 3,090,688	 214,952
 <b>EXPENDITURES</b>					
Economic development					
Supplies and services	-	-	5,528	2,764	-
Project expenditures	1,804	-	13,522	2,563,056	-
Loss on disposal of land held for resale	-	-	-	1,875,000	-
Surplus distribution	1,656,000	415,000	-	-	-
Capital outlay					
Rights of way improvements	-	-	9,990	66,833	-
Street improvements	-	-	353,046	-	-
Water system improvements	-	-	-	48,085	-
Debt service					
Principal retirement	-	-	2,890,000	1,585,000	-
Interest	-	-	578,901	385,780	-
Fiscal charges	-	-	1,500	1,875	-
 Total expenditures	 1,657,804	 415,000	 3,852,487	 6,528,393	 -
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	 1,471,703	 (84,978)	 2,253,662	 (3,437,705)	 214,952
 <b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	7,672,000	-
Transfers (out)	(7,672,000)	-	-	-	-
 Total other financing sources (uses)	 (7,672,000)	 -	 -	 7,672,000	 -
 <b>NET CHANGE IN FUND BALANCE</b>	 (6,200,297)	 (84,978)	 2,253,662	 4,234,295	 214,952
 <b>FUND BALANCE, JANUARY 1</b>	 7,944,176	 971,278	 2,312,421	 5,765,971	 115,434
 <b>FUND BALANCE, DECEMBER 31</b>	 \$ 1,743,879	 \$ 886,300	 \$ 4,566,083	 \$ 10,000,266	 \$ 330,386

(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, 2018

	Dundee Road TIF	Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF	Rand/Lake Cook TIF
BEGINNING BALANCES, JANUARY 1, 2018	\$ 7,944,176	\$ 971,278	\$ 2,312,421	\$ 5,765,971	\$ 115,434
<b>ADDITIONS</b>					
Taxes					
Incremental property taxes	2,996,847	315,439	6,015,269	3,019,601	210,198
Investment income	132,660	14,583	90,880	71,087	4,754
Transfers in	-	-	-	7,672,000	-
Total additions	3,129,507	330,022	6,106,149	10,762,688	214,952
BEGINNING BALANCES PLUS ADDITIONS	11,073,683	1,301,300	8,418,570	16,528,659	330,386
<b>DEDUCTIONS</b>					
Economic development					
Supplies and services	-	-	5,528	2,764	-
Project expenditures	1,804	-	13,522	2,563,056	-
Loss on disposal of land held for resale	-	-	-	1,875,000	-
Surplus distribution	1,656,000	415,000	-	-	-
Capital outlay					
Rights of way improvements	-	-	9,990	66,833	-
Street improvements	-	-	353,046	-	-
Water system improvements	-	-	-	48,085	-
Debt service					
Principal retirement	-	-	2,890,000	1,585,000	-
Interest	-	-	578,901	385,780	-
Fiscal charges	-	-	1,500	1,875	-
Transfers out	7,672,000	-	-	-	-
Total deductions	9,329,804	415,000	3,852,487	6,528,393	-
ENDING BALANCES, DECEMBER 31, 2018	\$ 1,743,879	\$ 886,300	\$ 4,566,083	\$ 10,000,266	\$ 330,386
<b>ENDING BALANCES BY SOURCE</b>					
Incremental property taxes	\$ 1,743,879	\$ 886,300	\$ -	\$ 9,600,266	\$ 330,386
Investment in land held for resale	-	-	4,566,083	400,000	-
Subtotal	1,743,879	886,300	4,566,083	10,000,266	330,386
Less Surplus Funds	-	-	-	-	-
ENDING BALANCES, DECEMBER 31, 2018	\$ 1,743,879	\$ 886,300	\$ 4,566,083	\$ 10,000,266	\$ 330,386

(See independent auditor's report.)

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## 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 May 31, 2019 that the Village of Palatine, Illinois (the Village) 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, 2018. 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's 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, Illinois complied with the aforementioned requirements for the year ended December 31, 2018 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, the 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.

*Sikich LLP*

Naperville, Illinois  
May 31, 2019