

**ANNUAL TAX INCREMENT FINANCE REPORT**



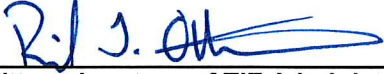
**SUSANA A. MENDOZA**  
ILLINOIS STATE COMPTROLLER

Name of Municipality: Village of Palatine Reporting Fiscal Year: 2022  
 County: Cook Fiscal Year End: 12/31/2022  
 Unit Code: 016-430-32

**FY 2022 TIF Administrator Contact Information-Required**

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

I attest to the best of my knowledge, that this FY 2022 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.]

  
 Written signature of TIF Administrator June 5, 2023  
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		
Name of Redevelopment Project Area	Date Designated MM/DD/20YY	Date Terminated MM/DD/20YY
Rand Road Corridor Tax Increment Financing Redevelopment Project Area	01/27/2003	

\*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 8 must be completed for each redevelopment project area listed in Section 1.]

**FY 2022**

**Name of Redevelopment Project Area (below):**

**Rand Road Corridor TIF**

<b>Primary Use of Redevelopment Project Area*:</b>	Retail
* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.	
<b>If "Combination/Mixed" List Component Types:</b>	
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>	
Tax Increment Allocation Redevelopment Act	<u>  X  </u>
Industrial Jobs Recovery Law	<u>      </u>

**Please utilize the information below to properly label the Attachments.**

	No	Yes
For redevelopment projects beginning prior to FY 2022, 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> For redevelopment projects beginning in or after FY 2022, were there any amendments, enactments or extensions 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, enactment or extension, and a copy of the redevelopment plan (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 <u>submitted to</u> the municipality <u>by</u> 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, <b>chosen by the municipality</b> , setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage, <b>and actual debt service</b> . [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 and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter MUST be attached (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	
For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. <b>If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N).</b>	X	

**SECTION 3.1 [65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d)]**

**FY 2022**

**TIF NAME:**

**Rand Road Corridor TIF**

**Provide an analysis of the special tax allocation fund.**

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 6,191,186

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 3,758,591	\$ 52,670,113	51%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 10,979	\$ 793,047	1%
Land/Building Sale Proceeds		\$ 216,159	0%
Bond Proceeds		\$ 39,111,075	38%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (Transfer from contiguous redevelopment area)		\$ 10,661,452	10%

All Amount Deposited in Special Tax Allocation Fund \$ 3,769,570

Cumulative Total Revenues/Cash Receipts \$ 103,451,846 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 2,899,764

Transfers to Municipal Sources \$ -

Distribution of Surplus \$ 1,500,000

Total Expenditures/Disbursements \$ 4,399,764

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ (630,194)

Previous Year Adjustment (Explain Below) \$ -

FUND BALANCE, END OF REPORTING PERIOD\* \$ 5,560,992

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

Previous Year Explanation:

**SECTION 3.2 A [65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c)]**

**FY 2022**

**Name of Redevelopment Project Area:**

**Rand Road Corridor TIF**

**ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND**

PAGE 1

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
Professional services	1,030	
		\$ 1,030
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
Reimbursement to developer for land acquisition	1,004,219	
		\$ 1,004,219
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
		\$ -
6. Costs of the construction of public works or improvements.		
Rights of way improvements	324,597	
		\$ 324,597

**SECTION 3.2 A**

**PAGE 2**

7. Costs of eliminating or removing contaminants and other impediments.			
			\$ -
8. Cost of job training and retraining projects.			
			\$ -
9. Financing costs.			
Principal retirement		1,380,000	
Interest & Fiscal Charges		189,918	
			\$ 1,569,918
10. Capital costs.			
			\$ -
11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects.			
			\$ -
12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects.			
			\$ -

SECTION 3.2 A

PAGE 3

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ 2,899,764</b>

**Section 3.2 B** [Information in the following section is not required by law, but may be helpful in creating fiscal transparency.]

**FY 2022**

Name of Redevelopment Project Area:

Rand Road Corridor TIF

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

Name	Service	Amount
BLA, Inc	Engineering Services	\$ 18,362.50
R.W. Dunteman Company	Rights of way improvements	\$ 328,369.86
Northwestern Motors Holding Inc	Reimb for land acquisition	\$ 450,000.00
Roto Sales, Inc	Reimb for land acquisition	\$ 554,218.50
Amalgamated Bank of Chicago	Debt Service	\$ 771,147.50
Computershare	Debt Service	\$ 798,770.00
Cook County Collector	Surplus Rebate	\$ 1,500,000.00

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

**FY 2022**

**Name of Redevelopment Project Area:**

**Rand Road Corridor TIF**

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

**FUND BALANCE BY SOURCE** \$ 5,560,992

	Amount of Original Issuance	Amount Designated
<b>1. Description of Debt Obligations</b>		
General Obligation Taxable Refunding Bonds, Series 2014B	\$ 7,265,000	\$ 2,285,000
General Obligation Taxable Refunding Bonds, Series 2017D	\$ 6,060,000	\$ 2,870,000

**Total Amount Designated for Obligations** \$ 13,325,000 \$ 5,155,000

<b>2. Description of Project Costs to be Paid</b>		
None		

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

**TOTAL AMOUNT DESIGNATED** \$ 5,155,000

**SURPLUS/(DEFICIT)** \$ 405,992



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

**FY 2022**

**Name of Redevelopment Project Area:**

**Rand Road Corridor TIF**

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

X

**Indicate an 'X' if no property was 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)]**

**FY 2022**

**Name of Redevelopment Project Area:**

**Rand Road Corridor TIF**

**PAGE 1**

**Page 1 MUST 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':**

<b>1. <u>NO</u></b> projects were undertaken by the Municipality Within the Redevelopment Project Area.	
<b>2.</b> The Municipality <b><u>DID</u></b> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	<b>X</b>
<b>2a.</b> The total number of <b><u>ALL</u></b> activities undertaken in furtherance of the objectives of the redevelopment plan:	<b>10</b>

**LIST ALL 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)	\$ 87,694,493	\$ 12,000,000	\$ 18,107,500
Public Investment Undertaken	\$ 64,109,030	\$ 2,325,000	\$ 3,450,000
Ratio of Private/Public Investment	1 32/87		5 1/4

**Project 1\*: Walmart**

Private Investment Undertaken (See Instructions)	\$ 36,094,493		
Public Investment Undertaken	\$ 30,382,599		
Ratio of Private/Public Investment	1 3/16		0

**Project 2\*: Arlington Toyota**

Private Investment Undertaken (See Instructions)	\$ 10,000,000		
Public Investment Undertaken	\$ 17,927,209		
Ratio of Private/Public Investment	29/52		0

**Project 3\*: Tore & Luke's**

Private Investment Undertaken (See Instructions)	\$ 1,500,000		
Public Investment Undertaken	\$ 1,126,390		
Ratio of Private/Public Investment	1 1/3		0

**Project 4\*: White Castle**

Private Investment Undertaken (See Instructions)	\$ 1,500,000		
Public Investment Undertaken	\$ 121,520		
Ratio of Private/Public Investment	12 11/32		0

**Project 5\*: Harley Davidson**

Private Investment Undertaken (See Instructions)	\$ 7,000,000		
Public Investment Undertaken	\$ 1,352,355		
Ratio of Private/Public Investment	5 3/17		0

**Project 6\*: Foxfire/Caputo's**

Private Investment Undertaken (See Instructions)	\$ 3,300,000		
Public Investment Undertaken	\$ 901,601		
Ratio of Private/Public Investment	3 33/50		0

**Project 7\*: Sonic Restaurant**

Private Investment Undertaken (See Instructions)	\$	850,000		
Public Investment Undertaken	\$	125,000		
Ratio of Private/Public Investment		6 4/5		0

**Project 8\*: Menards Site/Napleton**

Private Investment Undertaken (See Instructions)	\$	21,200,000	\$ -	\$ -
Public Investment Undertaken	\$	12,051,264	\$ 425,000	\$ 950,000
Ratio of Private/Public Investment		1 41/54		0

**Project 9\*: United Growth/Panera**

Private Investment Undertaken (See Instructions)	\$	4,250,000		
Public Investment Undertaken	\$	121,092		
Ratio of Private/Public Investment		35 7/72		0

**Project 10\*: Park Place**

Private Investment Undertaken (See Instructions)	\$	2,000,000	\$ 12,000,000	\$ 18,107,500
Public Investment Undertaken	\$	-	\$ 1,900,000	\$ 2,500,000
Ratio of Private/Public Investment		0		7 9/37

**Project 11\*:**

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

**Project 12\*:**

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

**Project 13\*:**

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

**Project 14\*:**

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

**Project 15\*:**

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

**SECTION 6** [Information requested in SECTION 6.1 is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.

SECTIONS 6.2, 6.3, and 6.4 are required by law, if applicable. (65 ILCS 5/11-74.4-5(d))]

**FY 2022**

Name of Redevelopment Project Area:

*Rand Road Corridor TIF*

**SECTION 6.1-For redevelopment projects beginning before FY 2022, complete the following information about job creation and**

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

**SECTION 6.2-For redevelopment projects beginning in or after FY 2022, complete the following information about projected job creation and actual job creation.**

The number of jobs, if any, projected to be created at the time of approval of the redevelopment agreement	The number of jobs, if any, created as a result of the development to date, for the reporting period, under the same guidelines and assumptions as was used for the projections used at the time of approval of the redevelopment agreement

**SECTION 6.3-For redevelopment projects beginning in or after FY 2022, complete the following information about increment projected to be created and actual increment created.**

The amount of increment projected to be created at the time of approval of the redevelopment agreement	The amount of increment created as a result of the development to date, for the reporting period, using the same assumptions as was used for the projections used at the time of the approval of the redevelopment agreement

**SECTION 6.4-For redevelopment projects beginning in or after FY 2022, provide the stated rate of return identified by the developer to the municipality and verified by an independent third party, if any:**

**SECTION 7** [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

**FY 2022**

**Name of Redevelopment Project Area:**

**Rand Road Corridor TIF**

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

<b>Optional Documents</b>	<b>Enclosed</b>
Legal description of redevelopment project area	
Map of District	

**SECTION 8** [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

**FY 2022**

**Name of Redevelopment Project Area:**

**Rand Road Corridor TIF**

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

Year of Designation	Base EAV	Reporting Fiscal Year EAV
2002	\$ 53,566,271	\$ 88,519,036

List all overlapping tax districts in the redevelopment project area.

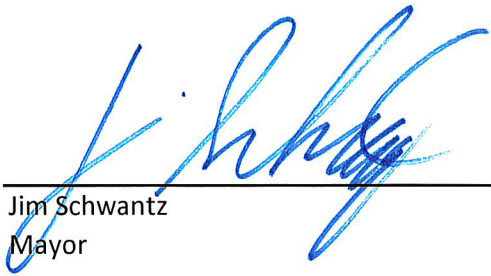
If overlapping taxing district received a surplus, list the surplus.

Indicate an 'X' if the overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment
Surplus distributions by Taxing District are calculated and distributed by the	
Cook County Treasurer - total surplus distributed to Cook County Treasurer was	\$ 1,500,000

## 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, 2022 and ending December 31, 2022.



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Jim Schwantz  
Mayor

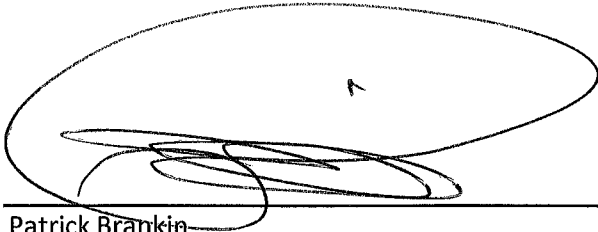
June 5, 2023

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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, 2021 and ending December 31, 2021, to the best of my knowledge and belief.



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Patrick Brankin  
Village Attorney

June 5, 2023

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Date



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

The redevelopment of the remainder of the former Knupper Nursery site on Rand Road is complete, resulting in the opening of a new Volkswagen dealership (approximately 16,000 square feet). This new Volkswagen dealership is located directly north of the Napleton Automotive Group's new Mazda and Subaru dealerships. The construction of a new Belle Tire store is underway just south of the Arlington Toyota site. Building and façade renovations were completed at the Park Place shopping center for a new U-Haul Self Storage facility. The Village approved a redevelopment agreement with the shopping center owner to facilitate a new grocery store to occupy the former Whole Foods tenant space. The redevelopment agreement provides TIF assistance towards planned façade improvements and potential outlot development.

**ORDINANCE NO. O-95-22**

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A  
REDEVELOPMENT AGREEMENT BETWEEN THE VILLAGE  
OF PALATINE, JOEL D. SIMMONS REVOCABLE TRUST, CCT  
PARK PLACE LLC, AND NARE VENTURE LLC  
FOR THE PARK PLACE SHOPPING CENTER  
(GENERALLY LOCATED AT 1365 N. RAND ROAD)**

**Published in pamphlet form by authority of the  
Mayor and Village Council of the Village of Palatine  
On September 12, 2022**

ORDINANCE NO. 0-95-22

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A  
REDEVELOPMENT AGREEMENT BETWEEN THE  
VILLAGE OF PALATINE, JOEL D. SIMMONS REVOCABLE TRUST, CCT PARK PLACE  
LLC, AND NARE VENTURE LLC FOR THE PARK PLACE SHOPPING CENTER  
(GENERALLY LOCATED AT 1365 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**

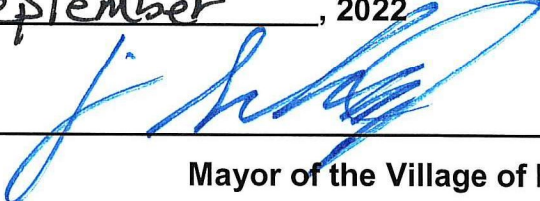
**WHEREAS, the Mayor and Village Council have on September 12, 2022, considered the proposed Redevelopment Agreement for the Park Place Shopping Center (generally located at 1365 N. Rand Road) and have determined that entering into this Agreement furthers the purposes of the Tax Increment Financing District and the Redevelopment Plan for the Rand Road Corridor 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:**

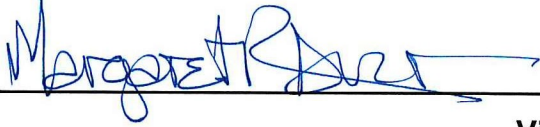
**SECTION 1: The Village of Palatine hereby authorizes the Mayor to execute the Redevelopment Agreement, attached hereto as Exhibit "A", subject to review and approval by the Village Attorney, pursuant to the Tax Increment Financing Act, Section 65 ILCS 5/11-74/4-4(c) and authorizes the Village Manager 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 12 day of September, 2022  
AYES: 6 NAYS: 0 ABSENT: 0 PASS: 0  
APPROVED by me this 12 day of September, 2022

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

ATTESTED and FILED in the office of the Village Clerk this  
12 day of September, 2022

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

THIS REDEVELOPMENT AGREEMENT (this "Agreement"), is made and entered into as of the 12<sup>th</sup> day of SEPTEMBER, 2022 ("Agreement Date") by and between the VILLAGE OF PALATINE, ILLINOIS, an Illinois municipal home rule corporation, located in Cook County, Illinois (the "Village"), JOEL D. SIMMONS REVOCABLE TRUST, CCT PARK PLACE LLC, an Illinois limited liability company, and NARE VENTURE, LLC, an Illinois limited liability company (collectively referred to herein as the "Property Owner") and NARE VENTURE, LLC, an Illinois limited liability company (the "Property Manager"). (The Village and Property Manager are sometimes referred to individually as a "Party" and collectively as the "Parties").

#### RECITALS

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, to stimulate and induce redevelopment in the Rand Road Corridor pursuant to the Act, the Village created the Rand Corridor TIF District by adopting the following ordinances, after giving all notices required and after conducting the public hearings required by law:

1. Ordinance No. O-23-03, adopted January 27, 2003, titled "Ordinance Approving the Village of Palatine Cook County, Illinois, Rand Road Corridor Area Project Area Development Plan and Project;

2. Ordinance No. O-24-03 adopted January 27, 2003, titled "Ordinance Designating the Village of Palatine, Illinois, Rand Road Corridor Area Tax Increment Redevelopment Project Area" ("Rand Road Corridor Redevelopment Project Area");

3. Ordinance No. O-25-03, adopted January 27, 2003, titled "Ordinance Adopting Tax Increment Financing for the Village of Palatine Rand Road Corridor Area Tax Increment Redevelopment Project Area in the Village of Palatine, Cook County, Illinois"; and

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

**WHEREAS**, Property Manager warrants they are able to provide the Project with the reasonably necessary skill, knowledge and expertise as well as input from other experts and consultants in the construction and operation of such a Project; and

**WHEREAS**, it is necessary for the successful completion of the Project (as defined in **Article 2**) that the Village enter into this Agreement with Property Manager to provide for the development of the Property, subject to Village approvals, thereby implementing and bringing to completion a portion of the Redevelopment Plan; and

**WHEREAS**, Property Manager has been and continues to be unwilling and unable 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 proposes to finance its share of the costs to be incurred in connection with the Project by utilizing Tax Increment Financing in accordance with the Act, which will serve a public purpose by reducing or eliminating conditions that, in part, qualify the Rand Road Redevelopment Project Area as a blighted area and which are necessary to foster development within the Rand Road Redevelopment Project Area; 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 Members and Manager of Property Manager for consideration and review, the Members and Manager of Property Manager have taken all actions required to be taken prior to the execution of this Agreement and obtained all required consents and approvals in order to make the same binding upon Property Manager according to the terms hereof, and any and all action, consents and approvals of the Property Managerr Manager and Members precedent to the execution of this Agreement have been undertaken and performed in the manner required by law and the Operating Agreement of Property Manager.

**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 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 Village and Property Manager according to the tenor and import of the statements in such Recitals.

ARTICLE TWO

DEFINITIONS

For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this 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.

**"Certificate of Completion"** means the document to be provided to Property Manager by the Village, within thirty (30) days after written request from Property Manager after Property Manager has provided all required waiver of liens and sworn statements necessary to comply with the Illinois Mechanics Lien Act or evidence of title insurance coverage over all such liens in favor of Property Manager or Construction Lender and has complied with all Village codes and with the obligations of this Agreement with respect to the construction of the Project, which document states that Property Manager has completed and satisfied all construction terms, covenants and conditions contained in this Agreement.



"Change in Law" means the occurrence, after the Effective Date, of an event described below that materially changes the costs or ability of the Party relying thereon to carry out its obligations under this Agreement and such event is not caused by the Party relying thereon. 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; (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, but shall not include laws, rules, regulations and ordinances of the Village, acting voluntarily and not as a result of a mandate from a higher authority, except to the extent they are generally applicable throughout the Village, not solely applicable to the Property Manager, the Property or this Agreement and do not violate the express terms of this Agreement.

"Corporate Authorities" means the Village Mayor and Village Council of the Village of Palatine, Illinois.

"Day" means a calendar day.

"Final Plans" means the final plans submitted by Property Manager and approved by the Village.

"Party" means the Village and/or Property Manager and its successors and/or assigns as permitted herein, 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.

**"Preliminary Plans"** means the preliminary version of the plans which are attached hereto as Exhibit "A".

**"Project"** means the development, construction, financing, and completion of the improvements outlined in the Preliminary Plans.

**"Property"** means the parcel of land as legally described on Exhibit "B", upon which the Project will be constructed.

**"Property Manager"** means NARE Venture, LLC, an Illinois limited liability company, acting as agent for and on behalf of the Property Owner.

**"Property Owner"** means Joel D. Simmons Revocable Trust, CCT Park Place LLC and Nare Venture LLC

**"Rand Road Redevelopment Project Area"** means the entire Rand Road TIF district created by the Ordinances adopted by the Village in 2003.

**"Redevelopment Plan"** means the "Redevelopment Plan" for Rand Road as defined in the Village Ordinance No. O-23-03.

**"State"** means the State of Illinois.

**"TIF Ordinances"** means Ordinances Nos. O-23-03, O-24-03, and O-25-03 all adopted by the Village on January 27, 2003, as described in the Recitals to this Agreement.

**"TIF Eligible Expenses"** means eligible expenses as authorized to be reimbursed by the Act.

**"Uncontrollable Circumstance"** means any event impacting the construction of the Project, which:

- (a) is beyond the reasonable control of and without the fault of the Party relying thereon; and
- (b) is one or more of 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, pandemic, hurricane, tornado, landslide, earthquake, lightning, fire, windstorm, flood, other extraordinary weather conditions or other similar Act of God;
  - (iv) governmental condemnation or taking other than by the Village;
  - (v) strikes or labor disputes,
  - (vi) shortage of materials not attributable to Property Manager.
- (c) Uncontrollable Circumstance shall not include: (1) economic hardship or impracticability of performance (except as described under Change of Law); (2) commercial or economic frustration of purpose, (except as described under Change of Law); (3) unavailability of materials, strikes or labor disputes directly caused by the acts or omissions of Property Manager; (4) a failure of performance by a contractor (except as caused by events which are otherwise Uncontrollable Circumstances hereunder, as to such 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, the terms of 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 in writing whether or not a writing is specifically mentioned in the context of use.
- (g) In connection herewith concerning written directions or authorization in respect of the investment of any funds, notwithstanding any provision hereof to the contrary, such direction or authorization in writing, including by telecopier/facsimile transmission, shall be appropriate and is hereby approved.
- (h) The Village Manager, unless applicable law requires action by the Corporate Authorities, shall have the power and authority to make or grant or do those

things, certificates, requests, demands, notices and other actions required that are ministerial in nature 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. Property Manager 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.

- (i) In connection with the foregoing and other actions to be taken under this Agreement, and unless applicable documents require action by Property Manager in a different manner, Property Manager hereby designates Savas Er as its authorized representative who shall individually 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 Property Manager and with the effect of binding Property Manager in that connection (such individual being referred to herein as the "Authorized Property Manager Representative"). Property Manager shall have the right to change the Authorized Property Manager Representative by providing the Village with written notice of such change which notice shall be sent in accordance with **Section 18.2**.

#### **ARTICLE FOUR**

##### **IMPLEMENTATION OF PROJECT**

The Village and Property Manager agree to cooperate in implementing the Project in accordance with the Parties' respective obligations set forth in this Agreement. This Agreement and all of its terms are subject to the Village approving the Project, or portions of the Project, which approval shall not be unreasonably withheld.

ARTICLE FIVE

DELETED

ARTICLE SIX

DELETED

ARTICLE SEVEN

DELETED

ARTICLE EIGHT

VILLAGE COVENANTS AND AGREEMENTS

**8.1 Village's Redevelopment Obligations.** The Village shall have the obligations set forth in this **Article Eight** in connection with the Project. Notwithstanding the obligations of this **Article Eight**, this Agreement shall not constitute a debt or general obligation of the Village within the meaning of any constitutional statutory provision or limitation, including but not limited to section 8.2 below. In addition, any payment obligations under this Agreement shall expire and no amounts shall be due if not paid prior to the expiration of the Rand Corridor TIF District.

**8.2 TIF Funding.** This agreement shall not constitute a debt or general obligation of the Village within the meaning of any constitutions, statutory provision or limitation. TIF funds shall be disbursed to Property Manager in accordance with the terms of this Agreement, subject to Property Manager having spent sufficient TIF Eligible Expenses to justify said amount. The Village shall provide TIF assistance to Property Manager in a total amount not to exceed Two Million and Five Hundred Thousand Dollars (\$2,500,000.00) (the "TIF Funds") in cash in reimbursement of TIF Eligible Expenses incurred by Property Manager for the Project. Subject to Property Manager's compliance with this Agreement and satisfaction of the applicable contingencies contained herein, said payments by the Village to Property Manager shall be made as follows:

- A. One Million Dollars (\$1,000,000.00) shall be paid upon the completion of the building façade improvements on the Property;
- B. Three Hundred Thousand Dollars (\$300,000.00) shall be paid for every 15,000 square feet of now vacant tenant space that becomes occupied by a sales tax generating uses up to a maximum total of One Million Two Hundred Thousand Dollars (\$1,200,000.00)
- C. Three Hundred Thousand Dollars (\$300,000.00) shall be paid for every 3,000 square feet of new, ground up, commercial space constructed as outlots for the Property Manager upon opening for business.

8.3 All qualifying payment triggers outlined within this Section 8.2 shall be completed and approved by the Village no later than October 31, 2025 to be eligible for reimbursement (“Completion Date”).

8.4 Deleted.

8.5 **Defense of TIF District.** In the event that any court or governmental agency, having jurisdiction over enforcement of the Act and the subject matter contemplated by this Agreement, shall determine that this Agreement is contrary to law, or in the event that the legitimacy of the Rand Road Redevelopment Project Area is otherwise challenged before a court or governmental agency having jurisdiction thereof, the Village will, at its sole cost and expense, defend the integrity of the Rand Road Redevelopment Project Area and this Agreement. Property Manager will fully cooperate with the Village in connection with the foregoing, including, but not limited to the execution of any and all reasonable documentation, and will be entitled to reimbursement by the Village for TIF Eligible Expenses incurred in connection with such cooperation and approved in writing by the Village prior to such TIF Eligible Expenses being incurred.

8.6 **Cooperation with Other Permits.** The Village agrees to cooperate with the Property Manager's attempts to obtain all necessary approvals and permits from any governmental or quasi-governmental entity other than the Village. The Village shall promptly process and consider to the extent allowable under applicable law, any reasonable request of Property Manager for any zoning approvals and for relief or variances from Village Zoning and Subdivision ordinances as may be necessary for the construction of the Project.

8.7 **Certificate of Completion.** Within thirty (30) days after written request from Property Manager to the Village, and after Property Manager has provided to the Village all required, fully executed and approved waivers of liens, sworn statements necessary to comply with the Illinois Mechanics Lien Act, and a date-down endorsement to an owner's policy of title insurance showing no outstanding mechanics' or other liens (other than Permitted Liens, including but not limited to purchase and construction financing), and Property Manager has complied with all Village codes and with the obligations of this Agreement with respect to the completion of construction of the Project or portion thereof (such as provided in Section 8.2 of this Agreement), including obtaining Certificates of Completion (for Section 8.2(A)), final Certificates of Occupancy or approval from the Village for opening of business on the Property, the Village shall deliver a Certificate of Completion or, if not complete or satisfied, a written statement of any deficiencies with respect to the completion of construction of the Project. Upon correction of any noted deficiencies, including but not limited to the full payment of the cost for any such correction of deficiencies, within ten (10) days thereafter the Village shall deliver the Certificate of Completion.

8.8 **Cash Payment.** Based on Property Manager incurring TIF Eligible Expenses, and Property Manager providing proof of payment and paid receipts for said TIF Eligible Expenses, the Village shall reimburse Property Manager for said TIF Eligible Expenses in an amount not to



exceed Two Million and Five Hundred Thousand Dollars (\$2,500,000.00) within sixty calendar (60) days of the Village's receipt of such proof of payment and paid receipts. Said reimbursement amount of TIF Eligible Expenses shall be paid pursuant to **Section 8.2** of this Agreement, subject to the the delivery by Property Manager to the Village of sufficient invoices and documentation required by Section 8.7 above and which is customarily used in commercial construction projects, and is also determined to be satisfactory by the Village in its commercially reasonable discretion, including, but not limited to paid receipts, cancelled checks, lien waivers and Contractor Sworn Statements, for each such TIF Eligible Expense.

8.9 Reserved

## ARTICLE NINE

### PROPERTY MANAGER'S COVENANTS AND AGREEMENTS

9.1 **Property Manager's Redevelopment Obligations.** Property Manager shall have the obligations set forth in this **Article Nine** for the development, construction, financing, completion and furtherance of the Project.

9.2 Reserved

9.3 Reserved

9.4 **Construction Financing Deadline.** Not more than sixty (60) days after the Village has issued all permits, approvals, consents and variances needed for the Project's construction, or as may be reasonably extended, Property Manager shall demonstrate to the Village's reasonable satisfaction through true and correct copies of signed letters of intent, commitment letters or otherwise as may be reasonably acceptable to the Village, that Property Manager has sufficient funds to pay the cost of the Project and any other obligations of Property Manager hereunder relating to the Property and the construction and development of the Project. A binding financing commitment from a nationally recognized bank, lending institution, insurance company or other

substantially similar financial institution shall be obtained and provided to the Village, in form and content that is typical in the industry, evidencing financing available in sufficient funds to be disbursed to commence and complete the construction of the Project ("Construction Loan"). Property Manager shall provide to the Village true and correct copies of executed satisfactory evidence of such commitment.

9.5 **Project Development Budget.** Property Manager shall submit to the Village the project development line item budget approved by the Property Manager's construction lender, when available. The Property Manager agrees that the Village will be provided a reasonable opportunity to meet with the construction lender if requested by the Village.

9.6 **Letters of Credit, Permits and Other Security.**

Regardless of whatever was provided in this Agreement, the Property Manager and successor owners shall be permitted and allowed to obtain, keep and retain all mortgage loans and encumbrances, including refinances of the same, secured by the Property whose loan proceeds were used to acquire the Property and all mortgage loans and encumbrances secured by the Property whose proceeds are to be or were used for Project construction purposes, including but not limited to the build out and acquisition of fixtures and equipment used at the Property, provided the same are in good standing ("Permitted Liens").

9.7 Deleted.

9.8 **Compliance with Applicable Laws.** Property Manager warrants that they shall at all times acquire, install, construct, operate and maintain the Project in conformance with all applicable laws, rules, ordinances and regulations. All work with respect to the Project shall be performed in accordance with good construction practices and shall conform to all applicable federal, state and local laws, regulations and ordinances, including, but not limited to, zoning, subdivision, planned development codes, building codes, environmental codes, life safety codes,

property maintenance codes and any other applicable codes and ordinances of the Village as more specifically set forth in **Article Eleven**. Village shall not enact any law, ordinance, rule or regulation (or amendment thereto) which would have the effect of increasing Property Manager's obligations hereunder, including an increase in the cost of the Project.

9.9 **No Default**. The Property Manager shall not be in default under this Agreement or be in default under any agreement, which default has not been cured after the giving of proper written notice thereunder and all rights to cure have lapsed. Failure to comply with this term renders Property Manager in default of this Agreement, subject to Property Manager's right to cure under this Agreement.

9.10 **Progress Meetings**. Property Manager shall meet with the Village staff and make presentations, as reasonably requested by the Village and not to exceed four (4) per year, in order to keep the Village apprised of the progress of the development of the Project.

9.11 **Authorized Representative**. Subject to the provisions thereof, Property Manager has designated in **Article Three** a representative with full power and authority to meet with Village staff for purposes of coordinating and implementing obligations of the Parties under this Agreement; provided, however, that all agreements of the Parties shall be in writing and fully authorized by all necessary action of such Parties.

9.12 **Real Estate Tax Payments**. Property Manager and successor owners agree to pay all general and special real estate taxes levied during their respective period of ownership against their respective interest in the Project on or prior to the date same is due and said taxes shall not become delinquent or incur any penalties or interest.

9.13 **Tax Exempt Status**. Consistent with its covenant in **Section 10.8**, Property Manager, Property Owner, and successor owners shall not assert a tax-exempt status during their respective period of ownership. This prohibition shall run with the land and shall expire on the

earlier of the following to occur: (i) date the Rand Road Redevelopment Project Area and the Rand Corridor TIF District expires; or (ii) any earlier date if such date is mutually agreed by the Village and Property Manager.

**9.14 Deleted.**

**9.15 Deleted.**

**9.16 Fees and Expenses.** Property Manager and successor owners shall pay when due all Village and other governmental entity-imposed fees, including but not limited to permit, inspection, review, tap-on, and storm water drainage fees that are assessed on a uniform basis throughout the Village and are of a general applicability to all other property in the Village. Said payments shall be made as directed by the applicable Village code or policy.

**9.17 Loan Agreement.** Prior to issuance of the Certificate of Completion by the Village, Property Manager shall not use the Property as collateral to secure loans or acquire any assets or for anything, other than Permitted Mortgage Liens, including Construction Loans and purchase money mortgages. Notwithstanding anything to the contrary contained herein, no mortgage executed in connection with the Construction Loan may encumber the Property unless the Lender thereunder has committed in writing to the Village that, without Village's consent:

- (a) in no event shall the Property serve as security or collateral for any loan other than loans the proceeds of which will be applied to the acquisition of the Property, construction of the Project and acquisition of equipment and fixtures to be used at the Property; and
- (b) in no event may Lender exercise any remedies with regard to any default under the Construction Loan, other than the right to withhold further disbursements, until such time as Lender has tendered to Village written notice thereof and

afforded to the Village the same cure period afforded to Property Manager under the loan documents to cure any such default noted therein.

## ARTICLE TEN

### ADDITIONAL COVENANTS OF PROPERTY MANAGER

10.1 Deleted.

10.2 **Property Manager Existence.** Property Manager will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and good standing as an Illinois limited liability company authorized to do business in Illinois, so long as Property Manager maintains an interest in the Property or has any other remaining obligation pursuant to the terms of this Agreement.

10.3 **Construction of Project.** Property Manager shall diligently pursue obtaining all required permits and shall exercise commercially reasonable efforts to cause construction of the Project on the Property to be prosecuted and completed in good faith and without delay, subject to Uncontrollable Circumstances and the other provisions of this Agreement. Neither Property Manager, nor any entity in which Property Manager has an interest, shall be paid any construction management fee or other fees from the proceeds of the Construction Loan for the Property until issuance of a Temporary or Final Certificate of Occupancy, whichever occurs first, for any part of the Project.

10.4 **Indemnification.** Property Manager (use of the term "Property Manager" herein includes permitted successors and assigns), agrees to and does hereby indemnify, defend and hold the Village, Mayor, Village Council Members, Village Manager, officers, agents and employees (hereinafter "Indemnified Parties") harmless from and against any losses costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation,

reasonable attorneys' fees and court costs) suffered or incurred by the Indemnified Parties (which shall not include any claim related to the loss of sales tax or incremental property tax revenues), which are caused as a result of:

- a. the failure of Property Manager to comply with any of the terms, covenants or conditions of this Agreement with which Property Manager is obligated to comply; and
- b. the failure of Property Manager and/or any of Property Manager's contractors to pay contractors, subcontractors or materialmen in connection with the Project; and
- c. material misrepresentations or omissions of Property Manager relating to the Project, financials, this Agreement and/or the Village Property Contract, which are the result of information supplied or omitted by Property Manager or by its agents, employees, contractors or persons acting under the control or at the request of Property Manager; and
- d. the failure of Property Manager to cure any material misrepresentations or omissions of Property Manager in this Agreement relating to the Project within the applicable cure provisions of this Agreement; and
- e. any claim or cause of action for injury, loss of life or damage brought by a third party arising out of the negligence of the Property Manager. The Village shall notify the Property Manager in writing of any third party complaint regarding the construction/or operation of the Project by Property Manager as soon as reasonably possible; and
- f. any violation or threatened violation by Property Manager of local ordinance, state or federal laws, in connection with the offer and sale of interests in Property Manager or any part of the Project; and
- g. The provisions of this **Section 10.4** shall not apply to any loss which arises out of (in whole or in part) the intentional conduct or negligence on the part of any Indemnified Party providing this information, but only to the extent that such Indemnified Parties' misconduct or

misinformation or negligence contributed to the loss, or that the loss is attributable to such Indemnified Parties' misconduct or negligence or misinformation. Nothing herein shall be construed to waive any immunities the Village may assert in response or defense of any such claims.

**10.5 Deleted.**

**10.6 Further Assistance and Corrective Instruments.** The Village and Property Manager 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 to the extent legally permitted and within the Village's sound legal discretion.

**10.7 No Gifts.** Property Manager covenants that no officer, member, manager, stockholder, employee or agent of Property Manager, or any other person connected with Property Manager, 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.

**10.8 Conveyance.** In recognition of the nature of the Project and the Village's projections of the need for incremental tax revenues to finance TIF Eligible Expenses, in accordance with the Act, during the life of the TIF consistent with its covenants in **Sections 9.13**, Property Manager shall not undertake to convey the Property to persons whose ownership and use of such Property will cause it to be exempt from payment of property taxes. To facilitate this provision, the Property Manager shall impose in its deed conveying all or any portion of the Property a prohibition against granting such conveyance consistent with the covenants in **Sections 9.13**, except as otherwise provided in this Agreement.

**10.9 Disclosure.** Concurrently with execution of this Agreement, Property Manager shall disclose to the Village the names, addresses and ownership interests of all Persons that comprise Property Manager. At the time of execution of this Agreement, Property Manager shall not sell, assign, mortgage, pledge or in any manner transfer any interest in the respective corporation or limited liability company, without the Village's prior written consent in each instance, which consent shall not be unreasonably withheld. Consent by the Village to any assignment or transfer shall not waive the necessity for consent to any subsequent assignment or transfer. This prohibition shall include a prohibition against any assignment or transfer by operation of law and no change shall be made in the persons or entities owning or controlling Property Manager or in their respective ownership interests without the consent of the Village. All changes made in the persons or entities owning or controlling Property Manager or in their ownership interests shall be disclosed to the Village during the term of this Agreement.

**10.10 Open Book Project.** Property Manager's Project shall be an "open book" project meaning that Property Manager and the general contractor (or contractors, if more than one) will assure continuing reasonable access to the Village's agents for the purpose of reviewing and auditing their respective books and records relating to any item necessary to determine the costs of the Project, and as it relates solely to this Project. The foregoing Village review rights shall terminate one (1) year after the issuance of the Final Certificate of Occupancy with respect to costs for the Project, unless Property Manager has failed to make available any such books and/or records requested in writing by the Village. Property Manager shall provide to the Village copies of any corporate, partnership, limited liability operating agreements or joint venture agreements pertaining solely to the Property and this Project to which Property Manager is a Party; provided that Property Manager may, (if Property Manager previously provided the Village not less than thirty (30) days to review such confidential financial materials), remove from the copies of such



agreements any confidential financial information previously disclosed to the Village and not since changed in form or substance and the Village shall keep such agreements confidential, to the maximum extent permitted by law. Failure to provide the documents or allow review of the books within thirty (30) days after written request by the Village shall be an Event of Default. Property Manager shall exercise prudence and good faith in attempting to contract with persons or entities who are reputable and experienced in their respective areas for the provision of services or material for the design and construction of the Project at costs not in excess of market rates. The Village agrees that Property Manager may designate, within its commercially reasonable discretion, the general contractor (or general contractors) for the Project. The general contractor (or general contractors) designated by Property Manager shall be experienced and reputable as determined by Property Manager in its sole, but commercially reasonable discretion.

**10.11 Assignment of Agreement.** This Agreement is not assignable except to an assignee of a Mortgagee for collateral purposes only, as set forth in **Section 9.4**, or for Permitted Transfers (as hereinbefore and hereinafter defined), until a Certificate of Completion for the entire Project is issued by the Village. Notwithstanding anything in this **Section 10.11** to the contrary, no part of this **Section 10.11** and **Section 10.12** shall require the Village's consent to the collateral assignment hereof, for security purposes only, to Property Manager's lender, if required thereby, or to a Permitted Transferee. Subsequent to completion of the Project, as evidenced by a Certificate of Completion, Property Manager shall give notice to Village of any proposed transfer and Village shall have thirty (30) days to accept or reject such assignee and any such proposed transfer, in its sole judgment and discretion.

**10.12 No Transfer without Village's Consent.** Prior to issuance of a Certificate of Completion for the entire Project, no portion of Property Manager or the Project shall be transferred or conveyed (other than to Permitted Transferees). Property Manager shall notify the Village of any

transfer of any interest in the Project and/or the Property other than to Park Place Development, LLC, an Illinois limited liability company, or an Affiliate of Property Manager . As used herein, an “Affiliate of Property Manager” shall mean an entity which controls, is controlled by, or is under common control with Property Manager and which has the same manager, members, partners or shareholders owning in the aggregate, more than fifty percent (50%) of the ownership interests in Property Manager and the same manager, members, partners or shareholders owning more than fifty percent (50%) of the ownership interests in said Affiliate; and as used herein “control” shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities or rights, by contract, or otherwise. The foregoing transfers shall herein be referred to as the “Permitted Transfers” and the transferees shall be referred to as the “Permitted Transferees”. Property Manager shall not be required to obtain Village review, approval or consent to any Permitted Transfer. The Village shall have no duty to return the LOC or any other security posted in connection with the portion of the Project so transferred. In the event there is a transfer of Property Manager’s rights and obligations under this Agreement by operation of law or otherwise due to or caused by the default under this Agreement by Property Manager, the Village may negotiate any new terms of security with any successor developer for the Project and may amend this Agreement with such any such new terms, including, but not limited to any new terms of security for the Project with any successor developer for the Project, as the Village deems acceptable, in its commercially reasonable discretion.

## **ARTICLE ELEVEN**

### **ADHERENCE TO VILLAGE CODES AND ORDINANCES**

All development and construction of the Project shall comply in all respects with the provisions in the Building, Plumbing, Mechanical, Electrical, Storm Water Management, Fire Prevention, Property Maintenance, Zoning and Subdivision Codes of the Village and all other germane codes and ordinances of the Village in effect from time to time, unless otherwise mandated by State law or permissible under a variance or exemption granted to Property Manager by a governmental body authorized to grant such variance or exemption. Property Manager has examined and is familiar with and agrees that the development of the Project shall be performed in accordance with all the covenants, conditions, restrictions, building regulations, zoning ordinances, property maintenance regulations, environmental regulations and land use regulations, codes, ordinances, federal, state and local ordinances affecting the Project or is permissible under a variance or exemption granted to Property Manager by a governmental body authorized to grant such variance or exemption.

## ARTICLE TWELVE

### REPRESENTATIONS AND WARRANTIES OF PROPERTY MANAGER

Property Manager represents, warrants and agrees as the basis for the undertakings on their respective parts herein contained that as of the date hereof and until completion of the Project:

**12.1 Organization and Authorization.** Property Manager is an Illinois limited liability company, authorized to do business in Illinois and existing in good standing under the laws of the State of Illinois, and both 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. Property Manager is solvent, able to pay their debts as they mature and financially able to perform all the terms of this Agreement. To Property Manager's actual knowledge, there are no actions at law or similar proceedings which are pending or threatened against Property Manager which would

materially and adversely affect the ability of Property Manager to proceed with the construction and development of the Project.

12.2 Deleted.

12.3 **Non-Conflict or Breach.** To the actual knowledge of Property Manager, neither the execution and delivery of this Agreement by either the Property Manager, the consummation of the transactions contemplated hereby by Property Manager, nor the fulfillment of or compliance with the terms and conditions of this Agreement by Property Manager with or result in a breach of any of the terms, conditions or provisions of any franchise agreement, offerings or disclosure statement made or to be made on behalf of Property Manager (with Property Manager's prior written approval), any organizational documents, any restrictions, agreement or instrument to which Property Manager or any of its partners or venturers is now a party or by which Property Manager 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 of Property Manager, any related party or any of its venturers under the terms of any instrument or agreement to which Property Manager, any related party or any of its partners or venturers is now a party or by which Property Manager, any related party or any of its venturers is bound, the effect of which would have a material and adverse effect upon the Project.

12.4 **Location of Project.** The Project will be located entirely within the Property.

12.5 **Financial Resources.** Property Manager and any Affiliate to which portions of this Agreement are assigned, have sufficient financial and economic resources to implement and complete Property Manager's respective obligations contained in this Agreement.

12.6 **Limit on Use of Land as Security.** Property Manager's right to use the land as security for financing purposes shall be subject to the restrictions contained in this Agreement. Violation of this covenant shall constitute an Event of Default.

## **ARTICLE THIRTEEN**

### **REPRESENTATIONS AND WARRANTIES OF THE VILLAGE.**

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

13.1 **Organization and Authority.** 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.

13.2 **Authorization.** 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 (except with regard to condemnation): (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.

13.3 **Litigation.** To the best of the Village's knowledge, there are no proceedings pending or threatened against or affecting the Village or the Rand Road 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.

13.4 **Connections.** The Village shall permit the connection to Village utility systems of all water lines, sanitary and storm sewer lines or Village utility lines existing or constructed in the

Property or near the perimeter of the Property as set forth on the Final Plans, provided that Property Manager comply with all requirements of general applicability promulgated by the Village for such connections. Village shall grant utility easements over Village owned land and public rights of way as may be necessary or appropriate to accommodate the utilities shown on the Final Plans.

**13.5 Reserved.**

**13.6 Best Efforts.** Village agrees to cooperate with Property Manager in Property Manager's efforts to obtain necessary licenses, permits and approvals from other governmental and quasi-governmental bodies for the Project, including, the state and local Departments of Transportation, Metropolitan Water Reclamation District, state and federal Environmental Protection Agencies, and FEMA.

## **ARTICLE FOURTEEN**

### **LIABILITY AND RISK INSURANCE.**

**14.1 Liability Insurance Prior to Completion.** On or prior to any construction activities, Property Manager (or Property Manager's contractor) shall procure and deliver to the Village, at Property Manager's (or such contractor's) cost and expense, and shall maintain in full force and effect until each and every obligation of Property Manager contained herein has been fully paid, or performed, a policy or policies of comprehensive liability insurance and, during any period of construction, contractor's liability insurance and worker's compensation insurance, with liability coverage under the comprehensive liability insurance to be not less than Two Million Dollars (\$2,000,000.00) each occurrence and Five Million Dollars (\$5,000,000.00) in the aggregate. All such policies shall be in such form and issued by such companies as shall be acceptable to the Village to protect the Village and Property Manager against any liability incidental to the use of or resulting from any claim for injury or damage occurring in or about the Project on the Property,

or the construction and improvement thereof by Property Manager. Each such policy shall name the Village as an additional insured, including an additional insured endorsement, and shall contain an affirmative statement by the issuer that it will give written notice to the Village at least thirty (30) days prior to any cancellation or amendment of its policy; provided that, Village hereby agrees and acknowledges that it's rights as an additional insured are subordinate to the priority of the construction lender as a loss payee. Property Manager may satisfy its insurance obligations in this **Article Fourteen** by way of a blanket policy or policies which satisfy the terms and conditions contained herein, which also includes other liabilities, properties and locations having a general policy aggregate of at least Ten Million Dollars (\$10,000,000.00). Property Manager shall provide to the Village a replacement certificate not less than thirty (30) days prior to expiration of any policy.

**14.2 Builder's Risk Prior to Completion.** Prior to completion of the construction of the Project on the Property, as certified by the Village, Property Manager shall keep in force at all times builders risk insurance on a completed value basis, in non-reporting form, against all risks of physical loss, including collapse, covering the total value of work performed and equipment, supplies and materials furnished for the Project (including on-site stored materials), all as to work by Property Manager on the Project. Such insurance policies shall be issued by companies satisfactory to the Village. All such policies shall contain a provision that the same will not be canceled or modified without prior thirty (30) day written notice to the Village.

## **ARTICLE FIFTEEN**

DELETED.

**ARTICLE SIXTEEN**

DELETED.

**ARTICLE SEVENTEEN**

**EQUAL EMPLOYMENT OPPORTUNITY**

17.1 **No Discrimination.** Property Manager will not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex or national origin. To the fullest extent permitted by law, Property Manager 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. Property Manager 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.

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

17.3 **Contractors.** Any contracts made by Property Manager with any general contractor, agent, employee, independent contractor or any other Person in connection with Project shall contain language similar to that recited in Sections 17.1 and 17.2 above.

**ARTICLE EIGHTEEN**

**MISCELLANEOUS PROVISIONS.**

18.1 **Reserved.**



18.2 **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, Banks, Kenny & Schwartz, Ltd.  
70 W. Madison Street, Suite 5300  
Chicago, IL 60602  
Attn: Patrick Brankin

If to Property Manager: Nare Management, LLC  
27 N. Green St.  
Chicago, IL 60607  
Attn: Savas Er

With a copy to: Zabel Law, LLC  
55 W. Monroe St.  
Suite 3330  
Chicago, IL 60603  
Attn: Jay Zabel

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) hereof shall be deemed received upon such personal service or upon dispatch by electronic means. 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.

18.3 **Time of the Essence.** Time is of the essence of this Agreement.

18.4 **Counterparts.** 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.

18.5 **Recordation of Agreement.** The Parties agree to record this Agreement in the Recorder's Office of Cook County.

18.6 **Severability.** 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.

18.7 **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

18.8 **Entire Contract and Amendments.** This Agreement (together with the exhibits attached hereto) is the entire contract and a full integration of the Agreement between the Village, Property Manager relating to the subject matter hereof, supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the Village and Property Manager, and may not be modified or amended except by a written instrument executed by the Parties hereto.

18.9 **Third Parties.** 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, Purchaser and Property Manager, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to either the Village, Purchaser or Property Manager, nor shall any provision give any third parties any rights of

subrogation or action over or against either the Village, Purchaser or Property Manager This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

**18.10 Waiver.** 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.

**18.11 Cooperation and Further Assurances.** The Village and Property Manager 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 Property Manager 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.

**18.12 Successors in Interest.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective authorized successors and assigns; provided, however, that, except as provided in **Section 10.10** and **Section 10.11** hereof, Property Manager nor may not assign its rights under this Agreement without the express written approval of the Village.

**18.13 No Joint Venture, Agency or Partnership Created.** 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.

**18.14 No Personal Liability of Officials of Village or Property Manager.** 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 Property Manager, in his or her individual capacity, and no official, officer, partner, member, director, agent, employee or attorney of the Village, or Property Manager 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.

**18.15 Repealer.** To the extent that any ordinance, resolution, rule, order or provision of the Village's code of ordinances, or any part thereof, is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling, to the extent lawful.

**18.16 Term.** This Agreement 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 Agreement.

**18.17 Estoppel Certificates.** Each of the parties hereto agrees to provide the other, upon not less than ten (10) business days prior request, a certificate ("Estoppel Certificate") certifying that this Agreement is in full force and effect (unless such is not the case, in which such parties shall specify the basis for such claim), that the requesting party is not in default of any term, provision or condition of this Agreement beyond any applicable notice and cure provision (or specifying each such claimed default) and certifying such other matters reasonably requested by the requesting party.

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

**18.19 Compliance with All Applicable Laws.** Property Manager agrees that the Project shall comply with any and all applicable Federal and State Laws, including but not limited to the Illinois TIF Act.

**18.20 Performance Days.** Whenever under the terms of this Agreement the time for performance of a covenant or condition falls on a Saturday, Sunday or holiday, such time for performance shall be extended to the next business day. Except as otherwise set forth herein, all references herein to “days” shall mean calendar days.

**18.21 State Grocery Tax Suspension.** In the event the State of Illinois extends or renews Public Act 102-0700 (the “Act”) (thereby extending the abatement of sales and use tax on retail sales of groceries), or enacts a similar abatement of sales and use tax on retail sales of groceries, and does not provide the Village with an alternative revenue source equivalent to, or greater than, the loss of any such tax so abated through such time during which the Village would be obligated to reimburse Property Manager under Sections 8.2(B) and 8.2(C), Property Manager and Village hereby agree that all payments due from the Village under Section 8.2 shall be capped at a total of One Million Five Hundred Thousand Dollars (\$1,500,000.00) with the remaining One Million Dollars (\$1,000,000.00) of TIF Funds to be likewise abated until the date upon which the State of Illinois reinstates the collection of sales and use tax on retail sales of groceries.

## **ARTICLE NINETEEN**

### **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 and adoption of this Agreement. Property Manager shall execute this Agreement not later than twenty-one (21) days after Village Council authorization of execution of this Agreement or else this Agreement will be deemed void.

**ARTICLE TWENTY**

**DISCLOSURE**

**20.01 Disclosure Of Interests.** In accordance with Illinois law, 50 ILCS 105/3.1, simultaneously with the execution of this Agreement by the parties, the Property Manager or their authorized corporate official or managing agent shall submit a sworn affidavit to the Village disclosing the identity of every owner and beneficiary who shall obtain any interest, real or personal, in the Property, and every shareholder or member entitled to receive more than seven and one-half percent (7.5%) of the total distributable income of any corporation or limited liability company after having obtained title to the Property, or, alternatively, if any corporation's stock is publicly traded, a sworn affidavit by an officer of the Property Manager or their managing agent that there is no readily known individual who shall obtain a greater than seven and one-half percent (7.5%) interest, real or personal, in the Property after the transaction contemplated by this Agreement is consummated. The sworn affidavit, attached hereto as **Exhibit "C"** and made a part of this Agreement, shall be signed by the Property Manager or their managing agent. Said affidavit shall be updated, as necessary, prior to the closings of the transaction contemplated by this Agreements.

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

PROPERTY MANAGER:

Nare Venture, LLC, an Illinois limited liability  
company

By: 

Name: Savas Er

Its: Manager

**PROPERTY OWNER:**

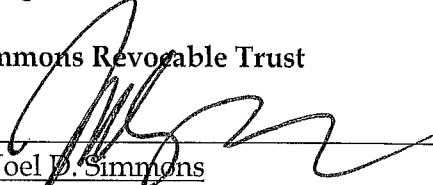
Nare Venture, LLC, an Illinois limited liability company

By: 

Name: Savas Er

Its: Manager

**Joel Simmons Revocable Trust**

By: 

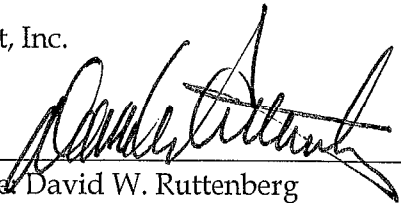
Name: Joel P. Simmons

Its: Trustee

**CCT Park Place, LLC**

By: Lakewest, Inc.

Its: Manager

By: 

Name: David W. Ruttenberg

Its: President

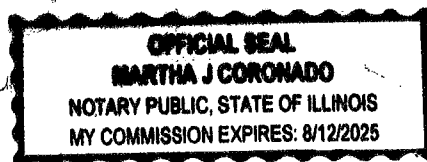
STATE OF ILLINOIS )  
COUNTY OF DePage ) SS

I, MARTHA J. Coronado, a Notary Public in and for said County, in the State of Illinois, DO HEREBY CERTIFY, that David W. Ruttinberg, 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. *David W. Ruttinberg, Inc. of J&J Services, LLC, Trust*

GIVEN under my hand and Notarial Seal this 7th day of October, 2022.

Martha J. Coronado  
Notary Public

My commission expires 8-12-2025.



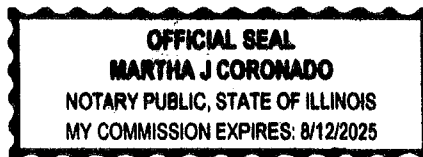
STATE OF ILLINOIS )  
COUNTY OF DePage ) SS

I, MARTHA J. Coronado, a Notary Public in and for said County, in the State of Illinois, DO HEREBY CERTIFY, that Swas Er NACE Venture, LLC of Property Manager, 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 Property 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 7th day of October, 2022.

Martha J. Coronado  
Notary Public

My commission expires 8/12/2025.





**ACKNOWLEDGEMENT AND CONSENT OF TIC OWNERS**

The undersigned, being the all of the title holders of the Property, do hereby acknowledge, authorize and consent to the following:

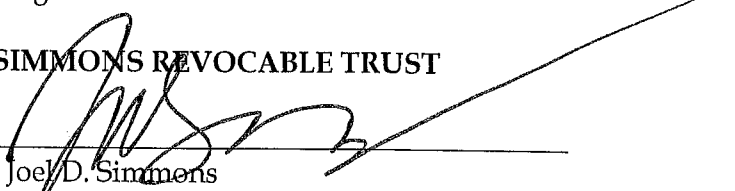
1. The appointment of NARE Venture, LLC, as the appointed representative and Property Manager under the terms of this Agreement;
2. The expenditure of TIF Eligible Expenses directly from NARE Venture, LLC, as the appointed representative and Property Manager under the terms of this Agreement; and
3. The distribution of TIF Funds, pursuant to the terms of this Agreement, directly to NARE Venture, LLC, as the appointed representative and Property Manager under the terms of this Agreement.

IN WITNESS WHEREOF, the undersigned has signed this Acknowledgement and Consent effective as of September 12, 2022.

**NARE VENTURE, LLC**  
an Illinois limited liability company

By:   
Name: Savas Er  
Its: Manager

**JOEL SIMMONS REVOCABLE TRUST**

By:   
Name: Joel D. Simmons  
Its: Trustee

**CCT PARK PLACE, LLC**  
an Illinois limited liability company

By: Lakewest, Inc.  
Its: Manager

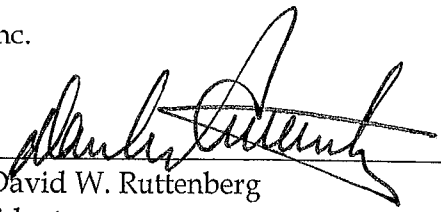
By:   
Name: David W. Ruttenberg  
Its: President

EXHIBIT A PRELIMINARY PLANS

# Exhibit A: Preliminary Plans

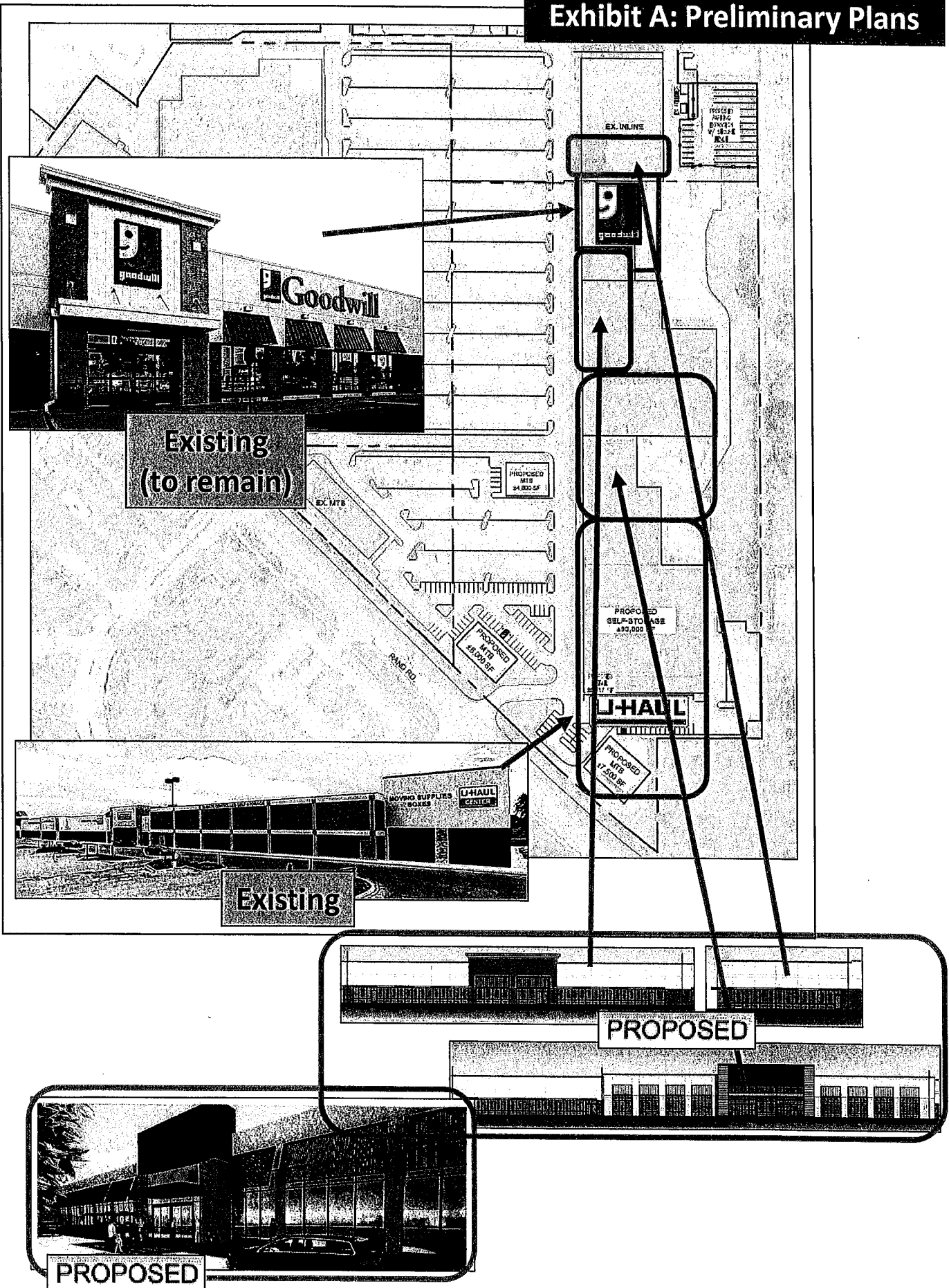


EXHIBIT B  
LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

THAT PART OF LOT 1 IN THE RESUBDIVISION OF LOT 2 IN PARK PLACE/WAL-MART SUBDIVISION, BEING A SUBDIVISION OF PART OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 29, 2010 AS DOCUMENT NUMBER 1008822049, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

COMMENCING AT A NORTHEASTERLY CORNER THEREOF, SAID CORNER ALSO BEING A POINT ON THE SOUTHERLY LINE OF THE DUNDEE ROAD (STATE ROUTE 68) RIGHT-OF-WAY AT THE POINT OF INTERSECTION WITH THE WESTERLY LINE OF THE EAST 150 FEET OF SAID NORTHWEST QUARTER; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, ALONG SAID WESTERLY LINE, BEING ALSO AN EASTERLY LINE OF SAID LOT 1, A DISTANCE OF 220.40 FEET, TO A CORNER OF SAID LOT 1, SAID CORNER ALSO BEING THE SOUTHWESTERLY CORNER OF THE NORTH 290.4 FEET OF SAID EAST 150 FEET; THENCE NORTH 89 DEGREES 52 MINUTES 21 SECONDS EAST, ALONG A COMMON LINE THEREOF, A DISTANCE OF 150.00 FEET, TO A COMMON CORNER THEREOF, SAID CORNER ALSO BEING A POINT ON THE EASTERLY LINE OF SAID NORTHWEST QUARTER; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, ALONG SAID EASTERLY LINE, ALSO BEING THE EASTERLY LINE OF SAID LOT 1, A DISTANCE OF 178.89 FEET, TO THE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 55 MINUTES 19 SECONDS WEST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 364.51 FEET; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 3.80 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 19 SECONDS WEST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 210.91 FEET, TO THE EASTERLY LINE OF LOT 1 IN PARK PLACE/WAL-MART SUBDIVISION, RECORDED AS DOCUMENT NUMBER 0312103000, SAID LINE BEING A COMMON LINE WITH LOT 1 IN SAID RESUBDIVISION; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, ALONG SAID COMMON LINE AND ITS SOUTHERLY EXTENSION, 883.70 FEET, TO A SOUTHWESTERLY LINE OF LOT 1 IN SAID

RESUBDIVISION, SAID LINE ALSO BEING THE NORTHEASTERLY LINE OF SAID RAND ROAD (U.S. ROUTE 12) RIGHT-OF-WAY; THENCE SOUTH 00 DEGREES 05 MINUTES 50 SECONDS EAST, ALONG SAID NORTHEASTERLY LINE, 178.08 FEET, TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY 328.15 FEET, ALONG A CURVE, TANGENT TO THE LAST DESCRIBED COURSE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 2,554.51 FEET, A CHORD BEARING SOUTH 49 DEGREE 46 MINUTES 38 SECONDS EAST, AND A CHORD DISTANCE OF 327.92 FEET, TO 4 A SOUTHEASTERLY CORNER OF LOT 1 IN SAID RESUBDIVISION, SAID CORNER ALSO BEING THE SOUTHWESTERLY CORNER OF FREMD SUBDIVISION RECORDED AS DOCUMENT NUMBER 16835555; THENCE NORTH 00 DEGREES 04 MINUTES 41 SECONDS WEST, ALONG A COMMON LINE THEREOF, 206.49 FEET, TO A COMMON CORNER THEREOF; THENCE NORTH 89 DEGREES 55 MINUTES 19 SECONDS EAST ALONG A COMMON LINE THEREOF, 197.18 FEET, TO A SOUTHEASTERLY CORNER OF LOT 1 IN SAID RESUBDIVISION, SAID CORNER ALSO BEING A POINT ON THE EASTERLY LINE OF SAID NORTHWEST QUARTER; THENCE NORTH 00 DEGREES 04 MINUTES 41 SECONDS WEST, ALONG SAID EASTERLY LINE, 1016.77 FEET, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, THAT PART THEREOF DESCRIBED AS FOLLOWS:

COMMENCING AT A NORTHEASTERLY CORNER THEREOF, SAID CORNER ALSO BEING A POINT ON THE SOUTHERLY LINE OF THE DUNDEE ROAD (STATE ROUTE 68) RIGHT-OF-WAY AT THE POINT OF INTERSECTION WITH THE WESTERLY LINE OF THE EAST 150 FEET OF SAID NORTHWEST QUARTER; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, ALONG SAID WESTERLY LINE, BEING ALSO AN EASTERLY LINE OF SAID LOT 1, A DISTANCE OF 220.40 FEET, TO A CORNER OF SAID LOT 1, SAID CORNER ALSO BEING THE SOUTHWESTERLY CORNER OF THE NORTH 290.4 FEET OF SAID EAST 150 FEET; THENCE NORTH 89 DEGREES 52 MINUTES 21 SECONDS EAST, ALONG A COMMON LINE THEREOF, A DISTANCE OF 150.00 FEET, TO A COMMON CORNER THEREOF, SAID CORNER ALSO BEING A POINT ON THE EASTERLY LINE OF SAID NORTHWEST QUARTER; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, ALONG SAID EASTERLY LINE, ALSO BEING THE EASTERLY LINE OF SAID LOT 1, A DISTANCE OF 178.89 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 19 SECONDS WEST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 364.51 FEET; THENCE SOUTH 00

DEGREES 04 MINUTES 41 SECONDS EAST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 3.80 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 19 SECONDS WEST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 210.91 FEET, TO THE EASTERLY LINE OF LOT 1 IN PARK PLACE/WAL-MART SUBDIVISION, RECORDED AS DOCUMENT NUMBER 0312103000, SAID LINE BEING A COMMON LINE WITH LOT 1 IN SAID RESUBDIVISION; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, ALONG SAID COMMON LINE, 465.82 FEET, TO THE POINT OF BEGINNING OF THIS EXCEPTION; THENCE CONTINUING ALONG SAID COMMON LINE, AND ITS SOUTHERLY EXTENSION, 417.88 FEET, TO A SOUTHWESTERLY LINE OF LOT 1 IN SAID RESUBDIVISION, SAID LINE ALSO BEING THE NORTHEASTERLY LINE OF SAID RAND ROAD (U.S. ROUTE 12) RIGHT-OF-WAY; THENCE SOUTH 46 DEGREES 05 MINUTES 50 SECONDS EAST, ALONG SAID NORTHEASTERLY LINE, 178.08 FEET, TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY 328.15 FEET, ALONG A CURVE, TANGENT TO THE LAST DESCRIBED COURSE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 2,554.51 FEET, A CHORD BEARING SOUTH 49 DEGREES 46 MINUTES 38 SECONDS EAST, AND A CHORD DISTANCE OF 327.92 FEET, TO A SOUTHEASTERLY CORNER OF LOT 1 IN SAID RESUBDIVISION, SAID CORNER ALSO BEING THE SOUTHWESTERLY CORNER OF FREMD SUBDIVISION RECORDED AS DOCUMENT NUMBER 16835555; THENCE NORTH 00 DEGREES 04 MINUTES 41 SECONDS WEST, ALONG A COMMON LINE THEREOF, 206.49 FEET, TO A COMMON CORNER THEREOF; THENCE NORTH 89 DEGREES 55 MINUTES 19 SECONDS EAST, ALONG A COMMON LINE THEREOF, 197.18 FEET, TO A SOUTHEASTERLY CORNER OF LOT 1 IN SAID RESUBDIVISION, SAID CORNER ALSO BEING A POINT ON THE EASTERLY LINE OF SAID NORTHWEST QUARTER; THENCE NORTH 00 DEGREES 04 MINUTES 41 SECONDS WEST, ALONG SAID EASTERLY LINE, 470.72 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 19 SECONDS WEST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 122.97 FEET; THENCE NORTH 58 DEGREES 35 MINUTES 21 SECONDS WEST, 98.46 FEET; THENCE NORTH 00 DEGREES 04 MINUTES 41 SECONDS WEST, 25.00 FEET, TO THE FACE OF A BUILDING WALL; THENCE SOUTH 89 DEGREES 55 MINUTES 19 SECONDS WEST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 368.49 FEET, TO THE POINT OF BEGINNING OF THIS EXCEPTION.

PARCEL 2:

NONEXCLUSIVE EASEMENT FOR INGRESS AND EGRESS AS DESCRIBED IN EASEMENTS WITH COVENANTS AND RESTRICTIONS AFFECTING THE LAND RECORDED MAY 19, 2003 AS DOCUMENT NUMBER 0313932098 AS AMENDED FROM TIME TO TIME.

EXHIBIT C

State of Illinois )  
 ) SS  
County of Cook )

DISCLOSURE AFFIDAVIT

I, SAVAS SR, (hereinafter referred to as "Affiant") reside at 32 WITT RD  
Suberwinton, IL in Cook County, State of Illinois, being first duly sworn and having personal knowledge of the matters contained in this Affidavit, swear to the following:

1. That, I am over the age of eighteen and the (choose one)
  - owner or
  - authorized trustee or
  - corporate official or
  - managing agent or
  - \_\_\_\_\_ of the Real Estate (as defined herein).
  
2. That, the Real Estate (as defined herein) being sold to N/A  
\_\_\_\_\_ is located in the County of Cook, Village of Palatine, State of Illinois (herein referred to as the "Real Estate"). The Real Estate has Assessor's Permanent Index Numbers of 02-12-101-051-0000
  
3. That, I understand that pursuant to 50 ILCS 105/3.1, prior to execution of a real estate purchase agreement between the record fee owner of the Real Estate and \_\_\_\_\_, Illinois State Law requires the owner, authorized trustee, corporate official or managing agent to submit a sworn affidavit to the Buyer disclosing the identity of every owner and beneficiary having any interest, real or personal, in the Real Estate, and every shareholder entitled to receive more than 7 1/2% of the total distributable income of any corporation having any interest, real or personal, in the Real Estate.
  
4. As the  owner or  
 authorized trustee or  
 corporate official or  
 managing agent or  
 \_\_\_\_\_ of the Real Estate, I declare under oath that (choose one):
  - The owners or beneficiaries of the trust are: \_\_\_\_\_  
\_\_\_\_\_ or
  - The shareholders with more than 7 1/2% interest are: \_\_\_\_\_  
See Attached.  
\_\_\_\_\_ or
  - The corporation is publicly traded and there is no readily known individual having greater than a 7 1/2% interest in the corporation.



This Disclosure Affidavit is made to induce the Buyer to accept title to the Real Estate in accordance with 50 ILCS 105/3.1.

AFFIANT

*[Handwritten Signature]*

SUBSCRIBED AND SWORN to before me  
this 7<sup>th</sup> day of October, 2022.

*[Handwritten Signature: Martha J Coronado]*  
NOTARY PUBLIC



1. **NARE Venture, LLC**, an Illinois limited liability company, as to an undivided 1/3<sup>rd</sup> interest in the Real Estate, of which the Sole Member is the Dylan C. Er Irrevocable Trust which maintains 100% membership interest in NARE Venture, LLC.
2. **Joel D. Simmons Revocable Trust** as to an undivided 1/3<sup>rd</sup> Interest in the Real Estate.
3. **CCT Park Place LLC**, an Illinois limited liability company, as to an undivided 1/3<sup>rd</sup> interest in the Real Estate, of which the Sole Member is the Crilly Court Trust which maintains 100% membership interest in CCT Park Place LLC.

**DRAFT**  
Village of Palatine  
Meeting of the Joint Review Board  
Wednesday, December 7, 2022 – 2:00 PM  
Minutes

**I. JOINT REVIEW BOARD CALL TO ORDER**

Reid Ottesen, Village Representative, called the meeting to order at 2:00 PM

**II. ROLL CALL OF TAX DISTRICT MEMBERS**

Present:

Community Consolidated School District 15  
Laurie Heinz, Superintendent  
Diana McCluskey, Chief School Business Official  
Palatine Park District  
Philip Costello, Superintendent of Finance  
Palatine Public Library District  
Mary Myers, Finance Manager  
Palatine Township  
Anna Chychula, Administrator  
Township High School District 211  
Lisa Small, Superintendent  
Lauren Hummel, Chief Operating Officer  
William Rainer Harper Community College District 512  
Rob Galick, Executive Vice President of Finance  
Village of Palatine  
Reid Ottesen, Village Manager  
Mike Jacobs, Community Services Director  
Paul Mehring, Finance Director  
Patrick Brankin, Village Attorney  
Matt Barry, Public Works Director

Absent:

Palatine Township Road District  
Cook County  
Forest Preserve District of Cook County  
Illinois Department of Commerce and Economic Opportunity  
Metropolitan Water Reclamation District of Greater Chicago  
Northwest Mosquito Abatement District

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

Reid Ottesen indicated that Ray Franczak, who had previously served as the Public Member, was notified of the scheduled Joint Review Board meeting. Mr. Franczak was not in attendance, thus no public member nomination occurred.

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

Rob Galick, seconded by Mary Myers, nominated Reid Ottesen as the Chair of the Joint Review Board meeting for December 7, 2022. The motion was approved unanimously.

#### **V. APPROVAL OF THE NOVEMBER 17, 2021 MINUTES OF THE JOINT REVIEW BOARD**

Lauren Hummel, seconded by Philip Costello, moved to approve the November 17, 2021 minutes of the Joint Review Board. The motion was approved unanimously.

#### **VI. ANNUAL REVIEW OF PERFORMANCE**

Reid Ottesen explained that all taxing bodies are required to meet once a year to discuss the status of the Village's TIF districts. He then noted the handout materials contained an outline of the recent development activity and information related to future surplus distribution projections.

- A. RAND/LAKE COOK TIF DISRICT
- B. RAND ROAD CORRIDOR TIF DISTRICT
- C. DOWNTOWN AREA TIF DISTRICT

Mike Jacobs then provided a brief overview of the development activity that occurred within the last year, is currently underway, and is anticipated in the coming year. The projects highlighted included the recently opened Volkswagen dealership on Rand Road, the completion of the Dundee Road improvements and associated traffic signal installed at the entrance drive to the Walmart/Park Place shopping center, as well as the U-Haul self-storage facility and agreement with the Park Place shopping center owner to facilitate various improvements within the center. He also noted the recent demolition of the former Kramer Photography and Kinsch Nursery buildings and the proposed residential developments for each property.

Mr. Ottesen and Paul Mehring then outlined the financial projections for each TIF District and the corresponding surplus projections and the anticipated final levy timing. Mr. Ottesen also outlined the Village's plan to complete all of the planned infrastructure improvements within the Downtown TIF District by the end of 2028.

#### **VII. ADJOURNMENT**

Rob Galick, seconded by Lauren Hummel, moved to adjourn the Joint Review Board Meeting at 2:21 PM. The motion was approved unanimously.

Respectfully submitted,

Michael W. Jacobs  
Village of Palatine

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

**SIKICH.COM**

## **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, and the aggregate remaining fund information of the Village of Palatine, Illinois (the Village) as of and for the year ended December 31, 2022, and the notes to financial statements, which collectively comprise the basic financial statements of the Village, and have issued our report thereon dated May 15, 2023, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information (schedule of revenues, expenditures, and changes in fund balance and schedule of fund balances by source for the Tax Increment Financing Districts) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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 15, 2023

# 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, 2022

	Downtown TIF	Rand Road Corridor TIF	Rand/Lake Cook TIF
<b>REVENUES</b>			
Taxes			
Incremental property taxes	\$ 7,489,554	\$ 3,758,591	\$ 1,080,252
Intergovernmental			
Grants	-	2,316	-
Investment income	178,392	10,979	9,025
	<hr/>		
Total revenues	7,667,946	3,771,886	1,089,277
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<b>EXPENDITURES</b>			
Economic development			
Supplies and services	6,030	1,030	1,030
Project expenditures	36,000	1,004,219	-
Surplus distribution	-	1,500,000	2,100,000
Capital outlay			
Buildings and facilities	288,992	-	-
Technology	-	2,316	-
Rights of way improvements	-	324,597	-
Street improvements	48,393	-	-
Debt service			
Principal retirement	3,339,000	1,380,000	-
Interest	115,706	188,693	-
Fiscal charges	946	1,225	-
	<hr/>		
Total expenditures	3,835,067	4,402,080	2,101,030
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NET CHANGE IN FUND BALANCE	3,832,879	(630,194)	(1,011,753)
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FUND BALANCE, JANUARY 1	11,021,082	6,191,186	3,544,183
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FUND BALANCE, DECEMBER 31	\$ 14,853,961	\$ 5,560,992	\$ 2,532,430
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VILLAGE OF PALATINE, ILLINOIS

TAX INCREMENT FINANCING DISTRICT FUNDS

SCHEDULE OF FUND BALANCES BY SOURCE

For the Year Ended December 31, 2022

	Downtown TIF	Rand Road Corridor TIF	Rand/Lake Cook TIF
BEGINNING BALANCES, JANUARY 1, 2022	\$ 11,021,082	\$ 6,191,186	\$ 3,544,183
ADDITIONS			
Taxes			
Incremental property taxes	7,489,554	3,758,591	1,080,252
Intergovernmental			
Grants	-	2,316	-
Investment income	178,392	10,979	9,025
Total additions	7,667,946	3,771,886	1,089,277
BEGINNING BALANCES PLUS ADDITIONS	18,689,028	9,963,072	4,633,460
DEDUCTIONS			
Economic development			
Supplies and services	6,030	1,030	1,030
Project expenditures	36,000	1,004,219	-
Surplus distribution	-	1,500,000	2,100,000
Capital outlay			
Buildings and facilities	288,992	-	-
Technology	-	2,316	-
Rights of way improvements	-	324,597	-
Street improvements	48,393	-	-
Debt service			
Principal retirement	3,339,000	1,380,000	-
Interest	115,706	188,693	-
Fiscal charges	946	1,225	-
Total deductions	3,835,067	4,402,080	2,101,030
ENDING BALANCES, DECEMBER 31, 2022	\$ 14,853,961	\$ 5,560,992	\$ 2,532,430
ENDING BALANCES BY SOURCE			
Incremental property taxes	\$ 10,771,961	\$ 5,560,992	\$ 2,532,430
Investment in land held for resale	4,082,000	-	-
Subtotal	14,853,961	5,560,992	2,532,430
Less Surplus Funds	-	-	-
ENDING BALANCES, DECEMBER 31, 2022	\$ 14,853,961	\$ 5,560,992	\$ 2,532,430



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

**SIKICH.COM**

## **INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION OF COMPLIANCE**

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 15, 2023 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, 2022. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Village's compliance with the specified requirements.

In our opinion, management's assertion that the Village of Palatine, Illinois complied with the aforementioned requirements for the year ended December 31, 2022 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 Board and is not intended to be and should not be used by anyone other than these specified parties.

*Sikich LLP*

Naperville, Illinois  
May 15, 2023