

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

Name of Redevelopment Project Area: TIF #2
Primary Use of Redevelopment Project Area*: Mixed Use
If "Combination/Mixed" List Component Types: Retail, Office, Residential
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): Tax Increment Allocation Redevelopment Act <u> x </u> Industrial Jobs Recovery Law <u> </u>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	x	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		x
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		x
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		x
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		x
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F		x
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	x	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	x	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	x	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	x	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		x
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9) If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		x
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose a copy of the intergovernmental agreements labeled Attachment M	x	

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

	Reporting Year	Cumulative	
Fund Balance at Beginning of Reporting Period	\$ (32,739.00)		
Revenue/Cash Receipts Deposited in Fund During Reporting FY:		\$ 27,746,263	
			% of Total
Property Tax Increment	\$ 1,559,858	\$ 29,306,121	89%
State Sales Tax Increment	\$ -	\$ 261,136	1%
Local Sales Tax Increment	\$ -	\$ 183,784	1%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 22,920	\$ 990,391	3%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 1,180,753	4%
Transfers from Municipal Sources		\$ 827,475	3%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 250,000	1%
Total Amount Deposited in Special Tax Allocation Fund During Reporting Period	\$ 1,582,778		
Cumulative Total Revenues/Cash Receipts		\$ 32,999,660	100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	\$ 612,498.00		
Distribution of Surplus	\$ -		
Total Expenditures/Disbursements	\$ 612,498		
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	\$ 970,280		
FUND BALANCE, END OF REPORTING PERIOD	\$ 937,541		

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

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
 (by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Professional Services	3,200	
		\$ 3,200
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
Marketing (Discover Arlington)	6,967	
		\$ 6,967
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
Environmental Remediation 212 N Dunton	300,000	
		\$ 300,000
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
Interior Buildout Program - Thrown Elements Pottery	5,000	
		\$ 5,000
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
Street Resurfacing	135,179	
New Street Lights	135,019	
North Garage Security Lighting	12,221	
North Garage Signage	14,204	
		\$ 296,623
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		\$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
Accrual	708	
		\$ 708
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		\$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		\$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		\$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		\$ -

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))
Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period
(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))

FUND BALANCE, END OF REPORTING PERIOD \$ 937,541

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Refunding of Parking 1986 Bonds - 1995	\$ 6,376,500	\$ -

Total Amount Designated for Obligations \$ 6,376,500 \$ -

2. Description of Project Costs to be Paid		
Marketing		\$ 30,000
Construction Redevelopment		\$ 938,390
		\$ -
Other/Environmental		\$ 300,000

Total Amount Designated for Project Costs \$ 1,268,390

TOTAL AMOUNT DESIGNATED \$ 1,268,390

SURPLUS*/(DEFICIT) \$ (330,849)

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

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

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

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

Property Acquired by the Municipality Within the Redevelopment Project Area

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

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

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

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

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

Please include a brief description of each project.

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

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Estimated Cost of the Total Project
--	-----------------	---	-------------------------------------

TOTAL:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 1,759,550		
Ratio of Private/Public Investment	0		0

Project 1:			
CBD Train Station			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 1,030,550		
Ratio of Private/Public Investment	0		0

Project 2:			
CBD Park			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 473,000		
Ratio of Private/Public Investment	0		0

Project 3:			
Old Train Station Site Park			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 256,000		
Ratio of Private/Public Investment	0		0

Project 4:			
Civic Events Sign			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 224,320		
Ratio of Private/Public Investment	0		0

Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

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

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

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

Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

ATTACHMENT A

(TIF II)

I, EDWINA CORSO, Village Clerk, do hereby certify that there were no amendments to the redevelopment project area and plan as it relates to the Tax Increment Financing District Number II, in the Village of Arlington Heights, County of Cook, State of Illinois in fiscal year May 1, 2009 to April 30, 2010.

November 17, 2010


EDWINA CORSO
Village Clerk

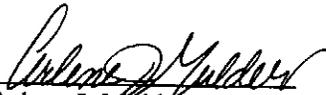
Attest:

ATTACHMENT B

(TIF II)

I, Arlene J. Mulder, the duly elected Chief Executive Officer, of the Village of Arlington Heights, County of Cook, State of Illinois, and as such, do hereby certify that the Village of Arlington Heights has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act for Tax Increment Financing District Number II, during the current municipal fiscal year, May 1, 2009 to April 30, 2010.

November 17, 2010.


Arlene J. Mulder
President Board of Trustees
Village of Arlington Heights

ATTEST:


EDWINA CORSO
Village Clerk

ATTACHMENT C and L

(TIF II)

I, JACK M. SIEGEL, Village Attorney of the Village of Arlington Heights, County of Cook,
State of

Illinois, and have been such throughout the fiscal year covered by this report, May 1, 2009 to
April

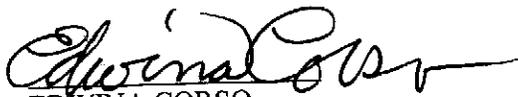
30, 2010, do hereby state as follows:

It is my opinion that the Village of Arlington Heights has in all respects complied
with the requirements of the Tax Allocation Redevelopment Act as it relates to
Tax Increment Financing District Number II, for the fiscal year, May 1, 2009 to
April 30, 2010.

November 17, 2010


JACK M. SIEGEL, P.C.
Village Attorney

ATTEST:


EDWINA CORSO
Village Clerk


NOV 19 2010
PLANNING
DEVELOPMENT DEPARTMENT

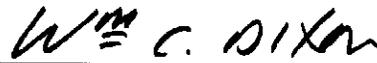
ATTACHMENT D

(TIF II)

I, WILLIAM C. DIXON, Village Manager, do hereby certify that the following activities were undertaken in furtherance of the objectives of the redevelopment plan for Tax Increment Financing District Number II, between May 1, 2009 and April 30, 2010.

1. Community activities such as Sounds of Summer, art fairs, farmers market were encouraged in the downtown.
2. The Village assisted a number of businesses with marketing plans.
3. Village assisted one business through the Interior Buildout program.
4. Lighting and security were enhanced in the North municipal garage.
5. Streets were resurfaced.
6. Village assisted with cost of environmental remediation for 212 N. Dunton Avenue in order to facilitate future redevelopment by approving Ordinance 09-047 Agreement 09-026 on November 16, 2009 and an Amendment to said Agreement on April 5, 2010 (Ord 10-015; A10-006).

November 17, 2010



WILLIAM C. DIXON
Village Manager

ATTEST:



EDWINA CORSO
Village Clerk

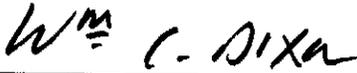
ATTACHMENT E

(TIF II)

I, WILLIAM C. DIXON, Village Manager of the Village of Arlington Heights, do hereby state that the Village of Arlington Heights did not purchase property within Tax Increment Financing District Number II, in the fiscal year, May 1, 2009 to April 30, 2010. The Village did approve the following agreement regarding redevelopment of property:

1. Village assisted with cost of environmental remediation for 212 N. Dunton Avenue in order to facilitate future redevelopment by approving Ordinance 09-047 Agreement 09-026 on November 16, 2009 and an Amendment to said Agreement on April 5, 2010 (Ord 10-015; A10-006).

November 17, 2010


WILLIAM C. DIXON
Village Manager

ATTEST:


EDWINA CORSO
Village Clerk

Redevelopment Agreement
TIF #2
212-220 North Dunton Avenue

**AN ORDINANCE APPROVING A PARTICIPANT
AND REDEVELOPMENT AGREEMENT
BETWEEN THE VILLAGE OF ARLINGTON HEIGHTS
AND 212 NORTH DUNTON, LLC**

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF ARLINGTON HEIGHTS:

SECTION ONE: That 212 North Dunton, LLC, is the owner of the property located at 212-220 North Dunton Avenue, Arlington Heights, Illinois.

SECTION TWO: That the Redevelopment Agreement by and between the Village of Arlington Heights and 212 North Dunton, LLC, dated November 16, 2009, concerning redevelopment of the property located at 212-220 North Dunton Avenue, a true and correct copy of which is attached hereto, be and the same is hereby approved.

SECTION THREE: The Village President and Village Clerk are hereby authorized and directed to execute said agreement on behalf of the Village of Arlington Heights.

SECTION FOUR: This Ordinance shall be in full force and effect from and after its passage and approval in the manner provided by law and the Agreement shall be recorded by the Village Clerk in the Office of the Recorder of Cook County.

AYES: SCALETTA, HAYES, ROSENBERG, GLASGOW, BREYER, JENSEN, MULDER

NAYS: NONE
ABSENT: STENGREN, FARWELL

PASSED AND APPROVED this 16th day of November, 2009.

ATTEST:



Village President



Village Clerk

Legal 2
11/16/09
original

PARTICIPANT AND REDEVELOPMENT AGREEMENT

THIS PARTICIPANT AND REDEVELOPMENT AGREEMENT (this "Agreement") is entered into as of the 16th day of NOV, 2009 (the "Effective Date") by and between THE VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS, an Illinois municipal corporation (the "Village") and 212 North Dunton, LLC, an Illinois limited liability company, ("Redeveloper").

RECITALS

WHEREAS, the Redeveloper is the owner of real property located at 212-220 North Dunton, Village of Arlington Heights, Cook County, Illinois, Permanent Parcel No. 03-29-325-004-0000, Part 03-29-325-005-0000, and Part 03-29-326-006-0000, as more fully described on **Exhibit A**, attached hereto and made a part hereof, (the "Property") which is environmentally distressed and is deemed worthy of being brought into appropriate and beneficial use within a Tax Increment Financing ("TIF") District established by the Village; and

WHEREAS, the President and Board of Trustees of the Village have heretofore, on February 17, 1986, passed and approved Ordinance Numbers 86-020, 86-021, 86-022 and 87-053, adopting tax increment allocation financing and approving a redevelopment plan and redevelopment project for a portion of the northern Central Business District, commonly known as TIF II, which has been amended from time to time; and

WHEREAS, the Redeveloper and the Village have determined there is environmental contamination on the Property needing remediation in preparation for its redevelopment and return to usefulness, and the Village has offered financial assistance toward certain of the activities involved in redevelopment of the Property. The assistance and conditions placed upon the same were described in a March 24, 2006, letter to Mr. Lloyd Baldwin, a principal of the Redeveloper (a copy of this letter is attached as **Exhibit B**); and

WHEREAS, Property is the subject matter of a Preliminary Planned Unit Development, which was approved by the Village Board of Trustees as Ordinance 07-044 on August 6, 2007; and

WHEREAS, Redeveloper has contracted with Tanner Environmental Company, of Libertyville, Illinois ("Tanner"), who has conducted extensive site investigations on and surrounding the Property and who has been retained by Redeveloper for purposes of managing the necessary site remediation; and

WHEREAS, Redeveloper's investigations determined a certain amount of contamination exists at the property boundary of one of the parcels constituting the Property and that such contamination continues into the right-of-way abutting and underlying Eastman St. Redeveloper has developed a remediation plan addressing this contamination. The terms and conditions for this remediation have been approved by the Illinois Environmental Protection Agency ("IEPA") and are the subject of a Tiered Approach to Corrective-Action Objectives Agreement (Highway Authority Agreement) entered into on September 5, 2006, by and between North Dunton Properties (predecessor-in-interest to 212 N. Dunton, LLC) and the Village of Arlington Heights (the "HAA"). This HAA was approved by the President and Board of Trustees of the Village on September 5, 2006 (copy of the HAA is attached as **Exhibit C**); and

WHEREAS, Redeveloper has received State approval of remediation plans for the redevelopment of the above-noted parcels. On behalf of Redeveloper, Tanner presented to IEPA a Focused Site Investigation/Remediation Objectives Report and Remedial Action Plan, on May 21, 2007 (the "Plan"). A copy of the May 21, 2007, cover letter, as well as the two volumes, dated May 20, 2007 (Volume 1 of 2) and May 11, 2007 (Volume 2 of 2), which together constitute the Plan, are attached as **Exhibit D**. In a letter dated November 4, 2009, addressed to Mr. Lloyd Baldwin, North Dunton Properties (predecessor-in-interest to Redeveloper), Jim Mergen, Bureau of Land, IEPA, advised Redeveloper the Plan was approved, with specific conditions described in that letter (a copy of the letter is attached as **Exhibit E**). Redeveloper has agreed to the conditions and is prepared to remediate the property; and

WHEREAS, the Village and the Redeveloper have agreed upon remediation of environmental contamination on the Property; and

WHEREAS, the Village has approved Redeveloper's demolition of structures on the Property and fully supports Redeveloper's wishes to have contamination underlying and abutting Property remediated to the degree required by the State, to return the Property to usefulness and to establish an prosperous residential and commercial endeavor within the TIF II district, all such purposes being facilitated by this Agreement; and

WHEREAS, the remediation of environmental contamination on the Property will make the Property available for redevelopment.

NOW, THEREFORE, in consideration of the mutual promises made herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Village and Redeveloper agree as follows:

ARTICLE I THE VILLAGE'S OBLIGATIONS

1. **Provision of Tax Increment District Financing**. The Village will, pursuant to this Agreement, provide TIF funds in support of the environmental remediation of the Property. Such funds will be available according to the terms described below and are subject to Redeveloper's compliance with the terms of this Agreement. The Village shall use good faith efforts to obtain all information reasonably necessary to timely approve and disburse TIF funds to Redeveloper. Redeveloper understands that the Village may utilize the TIF funds only for activities recognized within this Agreement or described by or in documents referred to or described within this Agreement. The approved TIF funds are available and appropriate for paying costs associated with environmental remediation only, including site assessment, site remediation, site-related infrastructure and fees for engineers, scientists and other professionals necessary for proper performance of site assessment and remediation activities and design and construction or reconstruction of utilities and other infrastructure that is below ground and which may be required as part of the remediation activities. TIF funds are not available for any use or activity for which the Redeveloper has or will be reimbursed by any other party.
2. **Maximum Amount of TIF Funding Available**. The Village's obligation under this Agreement to provide TIF funds for remediation purposes on or related to the Property shall be limited to a maximum of \$300,000.

3. **Conditions Precedent to Disbursement of TIF Funds.** The Village's obligation to provide TIF funds under this Agreement, except as described in Section below, is conditioned upon the following:
- 3.1. The Redeveloper has first expended Three Hundred Fifty Thousand Dollars (\$350,000) toward the remediation activities described above in Section ; and
 - 3.2. The Redeveloper has provided the Village with copies of final executed contracts, and any subsequent change orders, signed by Redeveloper and appropriate contractor(s), all as may involve remedial activity; and
 - 3.3. The Redeveloper has presented to the Village such invoices and proof of payment as may be reasonably necessary to establish Redeveloper has expended the full amount of \$350,000; and
 - 3.4. For purposes of this Section, qualifying expenses of the Redeveloper may include any such qualifying expenses of Redeveloper's successor(s) in interest, including Mr. Lloyd Baldwin, provided that said successor(s) are approved by the Village in writing.
4. **Expenses Qualifying for Disbursement of TIF Funds.** The Village agrees to expend TIF funds, up to the maximum amount as described above, only for such activities as are deemed approved by or under this Agreement. In and of itself, the act of including non-qualifying expenses within an application for disbursement of TIF funds cannot be deemed to disqualify any application. To the extent any activity or material named in an application for disbursement of TIF funds is deemed non-qualifying, approval for disbursement of TIF funds may be conditioned on application of such funds only to specified, qualified activities.
5. **Application to the Village for Disbursement of TIF Funds.** Application for disbursement of TIF funds shall be made in accordance with practices established by the Village and shall be made, offered or presented only by Redeveloper or Redeveloper's recognized agent or attorney. Any such documentation presented will be deemed an application of Redeveloper for purposes of this Agreement, and payments will be dispersed only to Redeveloper or Redeveloper's successor-in-interest (as approved by the Village), unless Redeveloper and Village agree otherwise in a writing.
6. **Review of Redeveloper's Application(s) for TIF Funds.** The Village shall promptly review each of Redeveloper's applications for TIF funds, and advise and provide notice to Redeveloper immediately of any deficiency in Redeveloper's application(s) for TIF funds. Redeveloper understands that submittal of an application for TIF funds must include a proper invoice or invoices and may include, as may be required by the Village, a form of certification that the invoiced work complies with the terms of this Agreement or has been completed or will be completed by a date certain.
7. **Payment of TIF Funds and Withholding of Final Payment.** Disbursement and payment of TIF funds shall be made by the Village as described within this Agreement and to the satisfaction of the Village as described in Section above. The Village will not allow final release to Redeveloper of the last FIFTY THOUSAND DOLLARS (\$50,000.00) until: a) Redeveloper is able to present the final form of the No Further Remediation ("NFR") letter from the Illinois Environmental Protection Agency; and b) completion of Site Restoration as described in paragraph of this Agreement. The Village will determine, at its discretion, though after consultation with Redeveloper, the point in time when the \$50,000 will be withheld.

Redeveloper may continue to prepare and present applications for TIF funds, and Village remains obligated to review and respond to such application, and to approve, question or disapprove any such application(s) in a timely manner. If Redeveloper's request for TIF funds is made after the TIF II fund is closed, pursuant to State law, or environmental remediation is not complete, Village shall not be obligated to make payment or remaining payments. Construction shall commence by September 2009. All payments shall be made to the Redeveloper prior to April 30, 2010. These payments are subject to the Village receiving full 2008 taxes from Cook County.

8. **Early Assistance for Redeveloper's Determination of Appropriate Site Remediation.** The Village shall reimburse Redeveloper NINE THOUSAND FIVE HUNDRED DOLLARS (\$9,500.00) for and toward costs incurred for preparation of the necessary documentation to request of and receive from IEPA a determination of the appropriateness and applicability of remediation of the Property. These costs include application fees for said review and determination from IEPA. Such payment will be made to Redeveloper within thirty (30) days of the execution of this Agreement. Payment of these funds shall be considered part of the THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) maximum amount payable by the Village to Redeveloper.
9. **Payment from TIF Increment Only.** The amount due under this Agreement is a special limited obligation of the Village and shall be paid solely from Tax Increment Financing (TIF) funds during the natural life of TIF District Number 2 (also referred to herein as TIF II). This obligation shall not be secured by the full faith and credit of the Village or constitute a general obligation of the Village.
10. **Village Approval of Building Demolition on the Property.** The Village hereby approves demolition of the buildings located on the Property based upon existing approvals for redevelopment and the deteriorated condition of the buildings prior to removal.
11. **Further Assistance Offered by the Village.** Without incurring any additional financing obligation, the Village also shall utilize good faith efforts to assist the Redeveloper, as owner, in obtaining any other permits necessary from third-parties and required for the remediation or redevelopment of the Property, to the extent such is consistent with this Agreement.

ARTICLE II REDEVELOPER'S OBLIGATIONS

12. **Compliance with HAA and the Plan.** Redeveloper will conduct site demolition activities, excavation of soils, remediation of environmental contamination, site restoration and restoration of public right of way, all as described in the HAA (Exhibit C) and the Plan (Exhibit D). This compliance includes completion of remediation to the point required to receive the desired NFR letter issued by IEPA.
13. **Redeveloper's Activities Pursuant to the Plan.** Redeveloper will complete site activities to the point of remediation and site restoration, all pursuant to the Plan (Exhibit D), as that plan may be amended, though final environmental remediation will be to the point of completion as noted in Paragraph above. The Plan will include full description of the following activities: Demolition of all above-ground structures on the Property; Excavation of all contaminated soils as may be

required by IEPA in order to qualify for issuance of a NFR letter; Remediation of environmental contamination to the point required by IEPA for issuance of said NFR letter; Sampling and reporting to IEPA as may be required in order for Redeveloper to receive said NFR letter; and Site Restoration to the point of grading and planting as may be required by the Village.

- 14. Compliance with Obligations Related to Disbursement of TIF Funds.** Redeveloper shall use good faith efforts to assist the Village in actions required by the Village to identify and access TIF financing, including, but not limited to providing all information available to Redeveloper regarding the Property and signing all documents required of a property owner as may be necessary to identify, access or disburse TIF funds.
- 15. Competitive Proposals for Work.** Until such time as the Village has disbursed the maximum amount of TIF Funds pursuant to the terms of this Agreement, Redeveloper will seek competitive proposals for work to be completed under the HAA or the Plan. Copies of proposals received by Redeveloper will be provided to the Village. Competitive proposals are not required for work preceding this Agreement or for work which may be otherwise specifically approved by the Village as not requiring competitive bidding.
- 16. Access to the Property.** Redeveloper grants to the Village and its employees or agents a limited license and permission to enter onto and inspect the Property. Such access shall be limited to the purpose of determining whether Redeveloper is completing the activities or work or acquiring the materials described in any application for disbursement of TIF funds. Such access shall be made, to the extent reasonable and possible, during normal working hours, and in such a fashion as does not interfere with redevelopment activities or contribute to or exacerbate any unsafe working environment. This limited license and permission to enter onto and inspect the Property will cease and terminate upon the Village's completion of payment of any TIF funds obligated pursuant to this Agreement. Further access may be granted upon sufficient advanced notice give to Redeveloper. Nothing in this Section in particular or the Agreement in general will work to limit the Village's rights to view or access the property as such rights or obligations exist elsewhere by effect of any applicable law, ordinance or regulation or through or under any other, separate agreement between the parties to this Agreement. The fact that this Agreement grants to the Village a limited license and permission to enter onto and inspect the Property in not in any way intended to limit the Village's right to inspect during the ordinary course of business. The limitation is stated so as to allow greater than normal access during the time the TIF funded activities are or may be undertaken on the Property, while then assuring all parties of a return to a normal status upon completion of payment of the obligated TIF funds.
- 17. Post Property Remediation Work Site Restoration and Preparation.** After Redeveloper has completed all remediation work on the Property and, as necessary, to or within any of Village's rights-of-way, Redeveloper shall grade, contour or construct the site's soils and sidewalk, as well as adjacent roadway disturbed and/or damaged during site demolition or remediation, all as described in **Exhibit F**, attached hereto and made a part hereof, (the "Site Restoration and Preparation Work") all at the cost of Redeveloper and not at Village's cost. The construction of the Site Preparation Work shall be completed within One Hundred Twenty (120) days after the Redeveloper completes remediation pursuant to the terms of the remediation action plan approved by IEPA. If an engineered barrier is required pursuant to the IEPA, it must be installed below grade, with the necessary amount of topsoil and grass at grade, excepting the westerly ten (10) feet of the Property, up to fifty feet from the northerly boundary of the Property.

18. Property Maintenance. Redeveloper shall provide maintenance for the Property (i.e. grass mowing, weed control, removal of garbage rubbish and trash, drainage of water from the Property, sidewalk maintenance and reconstruction and all other maintenance necessary to prevent nuisance and unattractive conditions on or emanating from the Property), all at the cost of Redeveloper and not at Village's cost. Clean up and removal of debris from the Property as a necessary part of site remediation does not constitute maintenance for purposes of applying this Section.

ARTICLE III REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

19. Representations and Warranties of the Village. The Village represents and warrants to Redeveloper that: (i) the Village has the capacity and authority to execute this Agreement and perform its obligations under this Agreement and all actions necessary to authorize the execution, delivery and performance of this Agreement by the Village have been taken and such actions have not been rescinded or modified; (ii) the Village is not subject to any judgment or decree of a court of competent jurisdiction or governmental agency that would limit or restrict the Village's right to enter and carry out this Agreement; (iii) neither the execution of this Agreement nor the consummation of the transactions contemplated herein will constitute a breach under any contract or agreement to which the Village is a party or by which the Village is bound or affected or which affects the Property; and (iv) the Village has neither caused nor contributed to the release of hazardous substances or petroleum on the Property.

20. Representations and Warranties of Redeveloper. Redeveloper represents and warrants to the Village that: (i) Redeveloper has the capacity and authority to execute this Agreement and perform its obligations under this Agreement; (ii) all actions necessary to authorize the execution, delivery and performance of this Agreement by Redeveloper have been taken and such actions have not been rescinded or modified; (iii) Redeveloper is not subject to any judgment or decree of a court of competent jurisdiction or governmental agency that would limit or restrict Redeveloper's right to enter and carry out this Agreement; (iv) neither the execution of this Agreement nor the consummation of the transactions contemplated herein will constitute a breach under any contract or agreement to which Redeveloper is a party or by which Redeveloper is bound or affected; (v) the Redeveloper has neither caused nor contributed to the release of hazardous substances or petroleum on the Property, (vi) the Redeveloper will comply with applicable statutes and ordinances governing its ownership, occupancy and use of the Property and (vi) to the Redeveloper's knowledge, there are no actions, suits or proceedings pending or threatened before any judicial body or any governmental authority or any order, writ, injunction, decree or demand of any court or any governmental authority relating to the Property or any part thereof.

21. Disclosure. The parties shall fully disclose to one another, promptly upon its occurrence, any change in facts, assumptions or circumstances of which either party becomes aware which may affect the representations and warranties set forth above.

22. Indemnification. As relates to and may arise from this Agreement, and specifically excluding any acts or omissions prior to the initiation of discussion between Redeveloper and Village concerning redevelopment of the Property, Redeveloper ("Indemnitor") agrees to indemnify, defend and hold Village ("Indemnitee") harmless from and against any and all losses, damages,

claims, suits, actions, judgments, liabilities and expenses, including, without limitation, reasonable attorneys' fees (collectively, "Losses"), arising out of, or with respect to any injury to, or death of, persons and/or any damage to, or destruction of, property, on or about the Property and attributable to the negligence or misconduct of the Indemnitor, or its officers, employees, agents, contractors or invitees, except to the extent any such breach, any injury or death or any damage or destruction is attributable to the negligence or misconduct of the Indemnitee, or any of its officers, employees, agents, contractors or invitees, or as otherwise specifically provided in this Agreement; provided, however, that the indemnification obligation created by this Section shall be expressly conditioned upon the Indemnitee (i) delivering to the Indemnitor prompt notice of any event giving rise to such indemnification obligation and (ii) providing the Indemnitor the opportunity to defend itself from and against any Losses.

23. **Survival.** The obligations set forth in Section of this Agreement shall survive any termination of this Agreement.

ARTICLE IV INSPECTIONS AND DEFAULT

24. **Inspection by the Village.** From the date of this Agreement until the time remedial work has been completed, the Village shall have the right, at its sole cost and expense, to inspect or examine any portion of work on the Property which was substantially funded by or through TIF funds disbursed by the Village; provided, that any such inspections or examinations shall not unreasonably interfere with or delay Redeveloper's continuing remediation, use or marketing of the Property. The Village shall promptly notify Redeveloper of any failure to comply with the obligations of Redeveloper under this Agreement as reported to the Village by any inspectors or consultants retained by the Village. No inspection or review by the Village shall be deemed to impose upon the Village any duty or obligation whatsoever to correct any of Redeveloper's defaults under this Agreement, other than any duty the Village may otherwise have. Notwithstanding anything contained herein to the contrary, the Village covenants and agrees, at its sole cost and expense: (i) to restore the Property after such inspection or examination to a condition equivalent to that existing prior thereto, (ii) to perform all activities on the Property in a good, safe and lawful manner so as to prevent any damage to property or any injury or death to persons, and (iii) to indemnify and hold Redeveloper harmless from and against any actual loss, damage or injury to person or property resulting from the Village's exercise of its inspection rights herein. This Paragraph is not in any way intended to limit the Village's right to inspect during the ordinary course of business. The same purpose and effect afforded such terms in Paragraph will guide the application and interpretation of like terms in this Paragraph.
25. **Inspection by the Redeveloper.** From the date of this Agreement until a time not to exceed Twelve (12) months after Redeveloper's final submission to the Village of any application for disbursement of TIF funds, the Redeveloper shall have the right, at its sole cost and expense, to inspect or examine any and all records, reviews or analyses, including written reports and electronic data and correspondence, as the same may be related to any applicable application for disbursement of TIF funds which was denied funding, whether in part or the whole; provided, Redeveloper shall give the Village written notice of any such inspection or examination at least seven (7) days prior to such event(s); and further provided that any such inspections or examinations shall not unreasonably interfere with the ongoing business of the Village or compromise a third party's confidential information that is inextricably connected to the documents or information subject to Redeveloper's inspection or examination or be in violation

of any applicable laws. Redeveloper shall promptly notify the Village of any failure to comply with the obligations of the Village under this Agreement as reported to Redeveloper by any employees or agents or other inspectors or consultants retained by Redeveloper. No inspection or review by Redeveloper shall be deemed to impose upon the Redeveloper any duty or obligation whatsoever to correct any of the Village's defaults under this Agreement, other than any duty the Redeveloper may otherwise have.

26. **Default.** Should Redeveloper or the Village breach any of the terms of this Agreement and fail to cure the breach within Thirty (30) days following receipt of written notice from the other with respect to a described breach, either party shall have all rights and remedies available in law or equity including, without limitation, the right to require specific performance. The waiver of any notice by the Village or Redeveloper shall not be considered a waiver of any subsequent default by Redeveloper or the Village. Neither party shall have the right to set-off any claim for damages from any obligation to provide funds herein.

ARTICLE VI MISCELLANEOUS PROVISIONS

27. **Entire Agreement Amendment.** This Agreement and the recitals thereto, the exhibits attached hereto, and the documents, instruments, and agreements referred to herein collectively constitute the entire agreement between Redeveloper and the Village with respect to the application of TIF funds to redevelopment of the Property, and shall be binding upon, and inure to the benefit of the Village and its successors and assigns and upon Redeveloper and its successors and assigns. This Agreement may only be amended or supplemented by a written document signed by all parties.
28. **Notices.** All notices, consents, demands, waivers, approval and other communication made hereunder and in connection herewith shall in each case be addressed as follows:

If to the Village:

Village Manager

Village of Arlington Heights
33 South Arlington Heights Road
Arlington Heights, Illinois 60005-1499

With a copy to:

Jack M. Siegel
Holland and Knight
131 South Dearborn St., 30th Floor
Chicago, Illinois 60603

If to Redeveloper:

212 North Dunton, LLC

c/o Lloyd Baldwin
12063 Dubarry Drive
Carmel, Indiana 46033-8397

Steven J. Lemon
Jones Lemon & Graham, LLP
328 S. Second Street
Geneva, Illinois 60134

Any notices and other communications to be delivered by either party to the other pursuant to this Agreement shall be in writing and shall be deemed delivered as follows, except as otherwise specifically provided in this Agreement: (A) when hand delivered or faxed (provided that faxed notices must be confirmed within any applicable time period plus two (2) days by one of the following methods of notice); (B) one (1) business day after mailing by Federal Express or other overnight courier service; or (C) three (3) business days after deposit in the United States mail by

registered or certified mail, postage prepaid, return receipt requested, addressed to the party to be charged with notice at the above-recited address or the above-recited fax number or such other address or fax number as either party from time to time may designate by notice delivered to the other; provided, however, that no notice of change of address or fax number shall be deemed given until received by the party to be notified.

29. **Governing Law.** This Agreement was negotiated in the State of Illinois and shall be governed and construed in accordance with the internal laws of the State of Illinois.
30. **Assignment.** This Agreement may not be assigned by either party without the express approval, in writing, of the other party.
31. **Force Majeure.** Whenever either party to this Agreement shall be required to perform any contract, act, work, labor or service, or to comply with this Agreement, the Application, the Program, or any other laws, rules, orders, ordinances, regulations or zoning regulations, such party shall not be deemed to be in default under this Agreement and the other party shall not enforce or exercise any of its rights under this Agreement with regard to such other party's default if and for so long as such non-performance or default shall be caused by Force Majeure (hereinafter defined); provided, however, that such party shall commence such performance and continue the same with diligence and continuity immediately after the removal of any of the causes hereinafter specified. The provisions of this Section shall not excuse any failure or delay in the payment of any monetary amount required to be paid in accordance with this Agreement, nor shall it excuse the Village from performing if the Village has direct or indirect control over any such Force Majeure event, nor shall it excuse the Redeveloper from performing if the Redeveloper has direct or indirect control over any such Force Majeure event. "Force Majeure" shall mean acts of God; acts of public enemies; fire or other casualties; acts, failure to act, orders, restraints or delays of any government or any governmental agency, department, committee, council or other entity; explosions; insurrections; failure or delay in obtaining permits or other approvals required under applicable law; civic disturbances; riots; delays of any contractor, subcontractor or supplier; litigation; strikes; landslides; earthquakes; storms; winds in excess of 75 m.p.h.; hurricanes; tornadoes and floods; and other conditions beyond the reasonable control of the party whose obligations are excused.
32. **Further Assurances.** Each party will, whenever and as often as it shall be requested by the other party, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further instruments and documents, including escrow instructions, as may be necessary in order to carry out the terms and conditions of this Agreement and to complete the sale, conveyance and transfer herein contemplated and shall do any and all other acts as reasonably may be requested in order to carry out the intent and purpose of this Agreement. Each party further covenants that from and after the effective date of this Agreement, each party shall use reasonable commercial efforts to cooperate with each other to secure all consents, approvals, authorizations and otherwise take such further actions necessary to effect the activities contemplated by this Agreement.
33. **Negation of Partnership; Third-Party Rights.** Nothing contained in this Agreement shall be construed or interpreted as creating any agency, partnership, co-partnership or joint venture relationship between the parties hereto. Nothing contained herein, and nothing which may be implied hereby, is intended to or shall be construed to confer upon any person or entity, other than the parties hereto, any right or remedy under or by reason of this Agreement.

34. Consents and Approvals to be Reasonable. Except as otherwise specifically provided in this Agreement, all consents and approvals required under this Agreement shall not be unreasonably withheld or delayed, and in the case of the Village shall be given by the Village Manager, unless otherwise required by applicable law, and in the case of Redeveloper shall be given by any authorized officer of Redeveloper. To the extent permitted by law, either party shall be entitled to conclusively rely on the consent or approval of the other provided the same is executed by those persons holding the offices or authorized to perform the duties of such offices specified herein.

35. Counterpart Execution. This Agreement may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument, notwithstanding that all of the parties are not signatories to the same counterpart. A fax or photo copy of this Agreement shall be enforceable as if such fax or photo copy was an original.

Executed on behalf of:

212 North Dunton, LLC:

The Village of Arlington Heights

By:

Lloyd Baldwin
Lloyd Baldwin, Managing Member

By:

Debra M. Gilder
[Name, Title] Mayor

Date:

NOVEMBER 10, 2009

Date:

November 16, 2009

212-220 North Dunton Avenue

**AN ORDINANCE APPROVING A FIRST AMENDMENT
TO THE PARTICIPANT AND REDEVELOPMENT AGREEMENT
BETWEEN THE VILLAGE OF ARLINGTON HEIGHTS AND
212 NORTH DUNTON, LLC, RELATED TO TIF DISTRICT #2**

WHEREAS, on November 16, 2009, the President and Board of Trustees of the Village of Arlington Heights approved a Participant and Redevelopment Agreement with 212 North Dunton LLC, for the redevelopment of the property located at 212-220 North Dunton Avenue, Arlington Heights, Illinois, which property is located in the TIF #2 District; and

WHEREAS, it is necessary that a first amendment be made to the participant and redevelopment agreement, which is set forth in a First Amendment to the Participant and Redevelopment Agreement, attached hereto and made a part hereof; and

WHEREAS, the President and Board of Trustees have determined that said amended agreement is in the best interests of the Village,

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF ARLINGTON HEIGHTS:

SECTION ONE: That the First Amendment to the Participant and Redevelopment Agreement by and between 212 North Dunton, LLC, and the Village of Arlington Heights, dated April 5, 2010, concerning the redevelopment of the property located at 212-220 North Dunton Avenue, Arlington Heights, Illinois, be and is hereby approved.

SECTION TWO: The Village President and Village Clerk are hereby authorized and directed to execute said amended agreement on behalf of the Village of Arlington Heights.

SECTION THREE: This Ordinance shall be in full force and effect from and after its passage and approval in the manner provided by law.

AYES: **PARWELL, GLASCOW, STENGREN, SCALETTA, ROSENBERG, BLACKWOOD, HAYES, BREYER, MULDER**

NAYS: **NONE**

PASSED AND APPROVED this 5th day of April, 2010.

ATTEST:


Village Clerk


Village President

Legal 8 4/5/10

**FIRST AMENDMENT
to the
PARTICIPANT AND REDEVELOPMENT AGREEMENT**

THIS FIRST AMENDMENT to the Participant and Redevelopment Agreement, dated November 16, 2009 (the "Redevelopment Agreement") is entered into as of the ___ day of April, 2010, by and between THE VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS, an Illinois municipal corporation (the "Village") and 212 North Dunton, LLC, an Illinois limited liability company, ("Redeveloper").

RECITALS

WHEREAS, the Redeveloper has been diligently and urgently conducting remedial activity at the real property which was the subject of the Redevelopment Agreement, but has faced significant delays due to the extreme cold and snow during the winter months, as well as the discovery of significantly more contamination on the site than originally identified; and

WHEREAS, the Redeveloper and Redeveloper's agents and consultants have met with Village officials and kept the Village apprised of remediation activities on a regular basis, and the Redeveloper has fulfilled all of its duties and obligations pursuant to the Plan and other terms of the Redevelopment Agreement adopted by the President and Board of Trustees of the Village; and

WHEREAS, the Redeveloper and the Village have determined there is a valid need for additional time for the Redeveloper to complete remediation of environmental contamination and restoration at the Property, as well as to effect remediation of the additional contamination, and that this need for additional time may be met by allowing final reimbursements from the Village to be paid on or before July 30, 2010, instead of the April 30, 2010, date in the Redevelopment Agreement; and

WHEREAS, the Redeveloper has assured the Village the remediation will be completed, even if costs to the Redeveloper exceed the costs projected in the original remediation plan which was part of the Redevelopment Agreement, all at no additional cost to the Village; and

WHEREAS, the Redevelopment Agreement, in Article VI, Paragraph 27, provides the document may be amended only in a writing signed by the parties;

NOW, THEREFORE, in consideration of the mutual promises made herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Village and Redeveloper agree Paragraph 7 of Article I of the Redevelopment Agreement will be amended to read as follows, changing only the one date in this paragraph while leaving all other aspects of the Redevelopment Agreement unchanged:

7. **Payment of TIF Funds and Withholding of Final Payment.** Disbursement and payment of TIF funds shall be made by the Village as described within this Agreement and to the satisfaction of the Village as described in Section 5 above. The Village will not allow final release to Redeveloper of the last FIFTY THOUSAND DOLLARS (\$50,000.00) until: a) Redeveloper is able to present the final form of the No Further Remediation ("NFR") letter from the Illinois Environmental Protection Agency; and b) completion of Site Restoration as described in paragraph 13 of this Agreement. The Village will determine, at its discretion,

though after consultation with Redeveloper, the point in time when the \$50,000 will be withheld. Redeveloper may continue to prepare and present applications for TIF funds, and Village remains obligated to review and respond to such application, and to approve, question or disapprove any such application(s) in a timely manner. If Redeveloper's request for TIF funds is made after the TIF II fund is closed, pursuant to State law, or environmental remediation is not complete, Village shall not be obligated to make payment or remaining payments. Construction shall commence by September 2009. All payments shall be made to the Redeveloper prior to July 30, 2010. These payments are subject to the Village receiving full 2008 taxes from Cook County.

The parties signing below further agree this First Amendment may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument, notwithstanding that all of the parties are not signatories to the same counterpart. A photo copy of this First Amendment shall be enforceable as if an original.

Executed on behalf of:

212 North Dunton, LLC:

By:

Lloyd Baldwin
Lloyd Baldwin, Managing Member

Date:

March 25, 2010

The Village of Arlington Heights

By:

Ariene Mulder
Ariene Mulder, Mayor

Date:

April 5, 2010

ATTACHMENT F and K

(TIF II)

SEE ATTACHED



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

The Honorable Mayor
Members of the Board of Trustees
Village of Arlington Heights, Illinois

We have examined management's assertion included in its representation letter dated September 10, 2010, that the Village of Arlington Heights, Illinois 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 April 30, 2010. As discussed in that representation letter, management is responsible for the Village of Arlington Heights, Illinois' compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village of Arlington Heights, Illinois' compliance based on our examination.

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

In our opinion, management's assertion that the Village of Arlington Heights, Illinois complied with the aforementioned requirements for the year ended April 30, 2010 is fairly stated in all material respects.

This report is intended solely for the information and use of the Board of Trustees, management, and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'Schach LLP'.

Aurora, Illinois
September 10, 2010

Village of Arlington Heights
Analysis of T.I.F II Fund
For The Fiscal Year Ended April 30, 2010

New Beginning Balance May 1, 2009		(32,739)
Deposits:		
Property Taxes	\$ 1,559,858	
State Sales Taxes	0	
Local Sales Taxes	0	
Interest	22,920	
Residual Equity Transfer	<u>0</u>	
	Total	<u>1,582,778</u>
	Balance plus Deposits	1,550,039
Expenditures:		
Redevelopment	\$612,498	
	Total	<u>612,498</u>
Ending Balance April 30, 2010		<u><u>\$937,541</u></u>
Ending Balance by Source:		
Property Tax	\$937,541	
	<u>\$937,541</u>	

Fund Balance by Source and by Year for Determining Surplus Allocations
 Village of Arlington Heights -- T.I.F. II

SOURCE YEAR	BALANCE 2007	BALANCE 2008	BALANCE 2009	BALANCE 2010
2005-2006				
PROPERTY	(1,198,580)	0	0	0
LOCAL SALES	0	0	0	0
STATE SALES	0	0	0	0
INTEREST	0	0	0	0
BOND PROCEED	0	0	0	0
OTHER	0	0	0	0
TOTAL	(1,198,580)	0	0	0
2006-2007				
PROPERTY	(2,606,739)		0	0
LOCAL SALES	0	0	0	0
STATE SALES	0	0	0	0
INTEREST	0	0	0	0
BOND PROCEED	0	0	0	0
OTHER	0	0	0	0
TOTAL	(2,606,739)	0	0	0
2007-2008				
PROPERTY		(2,182,715)	0	0
LOCAL SALES		0	0	0
STATE SALES		0	0	0
INTEREST		0	0	0
BOND PROCEED		0	0	0
OTHER		0	0	0
TOTAL		(2,182,715)	0	0
2008-2009				
PROPERTY			(\$32,739)	0
LOCAL SALES			0	0
STATE SALES			0	0
INTEREST			0	0
BOND PROCEED			0	0
STATE GRANT			0	0
TOTAL			(32,739)	0
2009-2010				
PROPERTY			\$0	937,541
LOCAL SALES			0	0
STATE SALES			0	0
INTEREST			0	0
BOND PROCEED			0	0
STATE GRANT			0	0
TOTAL			0	937,541
ENDING BALANCE	(\$3,805,319)	(\$2,182,715)	(\$32,739)	\$937,541

Balance required for debt service and additional redevelopment projects.

Village of Arlington Heights
 Additional T.I.F. II Information
 Fiscal 2010 Annual Report

Initial Equalized Assessed Valuation	\$2,319,059
Current Equalized Assessed Valuation (2008)	25,196,695
Incremental revenues generated from 2008 EAV	1,575,354
Incremental revenues generated from previous year EAV	1,698,357
Annual Change	----- (\$123,003) =====

Breakdown of change by taxing district:

Cook County & Forest Preserve	(14,769)
Metropolitan Reclamation District of Greater Chicago	(4,819)
Municipality	(24,114)
School District(s)	(69,457)
Park District(s)	(9,257)
Other	(587)
Total	----- (123,003) =====

The base EAV (frozen valuation) of TIFII was amended on 4/28/97,
 Ordinance 97-20 from \$2,247,126 to \$2,319,059.

ATTACHMENT I

(TIF II)

I, EDWINA CORSO, Village Clerk, do hereby certify that the Village of Arlington Heights, County of Cook, State of Illinois, did not issue any obligations between May 1, 2009 and April 30, 2010, in Tax Increment Financing District Number II.

November 17, 2010

A handwritten signature in cursive script, appearing to read "Edwina Corso", written in black ink. The signature is fluid and extends across the width of the printed name below it.

EDWINA CORSO
Village Clerk