

RESOLUTION NUMBER 06 - 04

**RESOLUTION APPROVING THE EXECUTION
OF THE SECOND AMENDMENT TO SALES
TAX REBATE AGREEMENT WITH
DOMINICK'S FINER FOODS, LLC.**

WHEREAS, the corporate authorities of the Village of East Dundee have determined that it is advisable, necessary, and in the public interest that the Village enter into and authorize the execution of a Second Amendment to Sales Tax Rebate Agreement with Dominick's Finer Foods, LLC., a copy of which Amendment is attached hereto as an exhibit.

NOW THEREFORE BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF EAST DUNDEE, COOK AND KANE COUNTIES, ILLINOIS, AS FOLLOWS:

Section One. That the Village of East Dundee adopts and approves and the President be and he is hereby authorized and directed to sign and the Village Clerk is directed to attest to the execution of a Second Amendment to Sales Tax Rebate Agreement with Dominick's Finer Foods, LLC., a copy of which Amendment is attached hereto as an exhibit.

Section Two. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section Three. Repeal. All ordinances, resolutions, motions or parts thereof in conflict herewith shall be and the same are hereby repealed.

Section Four. Publication. This resolution shall be in full force and effect forthwith upon its adoption, approval and publication in pamphlet form as provided by law.

Adopted this 19th day of April, 2004, pursuant to a roll call vote as follows:

AYES: Zaeske, Ruffalo, Bartels, Schrock, Van Ostenbridge, Scarpetti
NAYES: None
ABSENT: None

Approved by me this 19th day of April, 2004.

Roger Ahrens
ROGER AHRENS, President

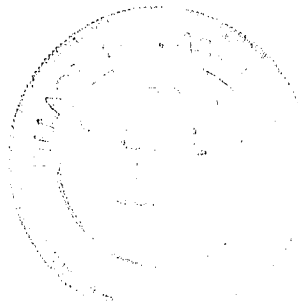
Published in pamphlet form this 20th day of April, 2004, under the authority of the President and Board of Trustees.

ATTEST:

Jane E. Theis
JANE THEIS, Village Clerk

Recorded in the Village Records on April 20th, 2004.

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**SECOND AMENDMENT TO
SALES TAX REBATE AGREEMENT**

THIS SECOND AMENDMENT TO SALES TAX REBATE AGREEMENT (hereinafter referred to as the "SECOND AMENDMENT") is made and entered into this 9th day of March, 2004, by and between the VILLAGE OF EAST DUNDEE, a municipal corporation duly incorporated and acting under the laws of the State of Illinois, (hereinafter referred to as the "Village"), by and through the President and Board of Trustees of the Village (hereinafter collectively referred to as the "Corporate Authorities"), and DOMINICK'S FINER FOODS, L.L.C., a Delaware limited liability company, as successor by merger to DOMINICK'S FINER FOODS, INC., a Delaware corporation (herein referred to as "Dominick's").

WITNESSETH:

WHEREAS, Dominick's is a Delaware limited liability company, doing business in Illinois with its principal offices at 711 Jorie Boulevard, Oak Brook, Illinois 60523, and is a tenant in the shopping center commonly known as River Valley Square, which is owned by American National Bank & Trust Company of Chicago, as Trustee u/t/d 04-25-83 a/k/a Trust No. 57659 (herein referred to as "Landlord"), and managed by Lincoln Property Company with its principal place of business at 5215 Old Orchard Road, Skokie, Illinois 60077; and

WHEREAS, the Village and Dominick's entered into a Sales Tax Rebate Agreement (herein the "Agreement") on March 6, 2000, pursuant to Village Resolution No. 08-00 and an Amended Sales Tax Rebate Agreement (herein the "Agreement") on June 4, 2003, pursuant to Village Resolution No. 14 -03, and now desire to amend the terms of such Agreement; and

WHEREAS, the Village has determined that this Agreement complies with the standards set forth in Illinois Compiled Statutes, 65 ILCS 5/8-11-20, Economic Incentive Agreements.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein set forth and the above Recitals, which are herein by this reference incorporated herein, the sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. The findings of the Agreement and Amended Agreement are hereby expressly reaffirmed as still true and applicable.

2. The text of the Agreement, paragraph 2.a. is hereby deleted and repealed and the following text is substituted in its place:

a. The Village agrees that it shall deposit and hold in a segregated account identified on its books as the "535 Dundee Avenue Account," and referred to herein as the "Sales Tax Escrow Account," an amount to be calculated as set forth below from taxable sales by Dominick's from the Remodeled Premises. For each calendar year this SECOND AMENDMENT is in effect, the Sales from the current year and the previous year will be averaged. The resulting average sales ("Sales Average") will be multiplied by the following percentage for each such calendar year to determine Base Sales:

2004	- 30 percent
2005	- 71 percent
2006	- 71 percent
2007	- 72 percent
2008	- 72 percent
2009	- 75 percent
2010	- 75 percent
2011	- 75 percent
2012	- 75 percent

Base Sales will then be subtracted from actual Sales for each calendar year and multiplied by the actual municipal sales tax rate then in effect to arrive at an estimated sales tax derived from actual Sales over the Base Sales amount (herein the "Sales Tax Over Base"). The Village will rebate fifty percent (50%) of such Sales Tax Over Base as limited below, except the rebate percentage for the 2004 calendar year shall be seventy percent (70%). The preceding calculation shall be repeated for each year during the term of this SECOND AMENDMENT.

Payments by the Village from the Sales Tax Escrow Account to Dominick's shall be made annually within 45 days after actual Sales for the current calendar year are reported to the Village. The obligation of the

Village under this Agreement to make deposits in and hold separate from the Village general corporate account the Sales Tax Escrow Account shall terminate on the first to occur of the last day of the 10th calendar year after the execution of this SECOND AMENDMENT, or the cumulative total payment to Dominick's from such account of \$385,000. Interest accrued on deposits in such account shall be payable to the Village. The table attached as Exhibit "A" hereto is intended to illustrate the preceding calculation.

7. In all other respects, the Agreement is hereby approved, ratified, and republished.

IN WITNESS WHEREOF, the Corporate Authorities and Dominick's have caused this instrument to be executed by their respective proper officials duly authorized to execute the same on the day and year first above written.

VILLAGE OF EAST DUNDEE, an Illinois Municipal corporation DOMINICK'S FINER FOODS, L.L.C., a Delaware Limited Liability Company

By: *Roger W Ahrens*
ROGER AHRENS, President

By: Dominick's Supermarkets, Inc., a Delaware Corporation
Its: Member

ATTEST:

By: *Jane E. Theis*
JANE THEIS, Village Clerk

By: *Debrae Wilcher*
Assistant Vice President

By: *[Signature]*
Assistant Secretary
For Approval [Signature]