

Ordinance No. 13-24

**ORDINANCE APPROVING REDEVELOPMENT AGREEMENT
BY AND BETWEEN THE VILLAGE OF EAST DUNDEE,
KANE AND COOK COUNTIES, ILLINOIS AND INSURANCE AUTO AUCTION,
AN ILLINOIS CORPORATION**

WHEREAS, the Village of East Dundee, Kane and Cook Counties, Illinois (the "Village") is a home rule municipality pursuant to Section 6, Article VII of the Illinois Constitution of 1970; and,

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, *et seq.*, as from time to time amended (the "*TIF Act*"), the President and Board of Trustees of the Village (collectively, the "*Corporate Authorities*") are empowered to undertake the redevelopment of a designated area within its municipal limits in which existing conditions permit such area to be classified as a "blighted area," as such term is defined in the TIF Act; and,

WHEREAS, in accordance with the requirements of the TIF Act, on August 20, 2012, the Corporate Authorities adopted Ordinance No. 12-67, which approved a redevelopment plan and project, entitled the Redevelopment Project Plan and Eligibility Report for the: Cook County Project Area (the "*Redevelopment Project Area*"); and,

WHEREAS, also in accordance with the requirements of the TIF Act, on August 20, 2012, the Corporate Authorities adopted Ordinances No. 12-68 and No. 12-69, which designated the Redevelopment Project Area as a "redevelopment project area," as that term is defined under the TIF Act, and approved tax increment financing for the purpose of implementing the Redevelopment Plan for the Redevelopment Project Area; and,

WHEREAS, the Corporate Authorities have determined that the blighting factors described in the Redevelopment Plan are detrimental to the public and impair development and growth in the Redevelopment Project Area, with the result that it is necessary to incur extraordinary costs in order to develop the Redevelopment Project Area; and,

WHEREAS, Insurance Auto Auction, Inc., an Illinois corporation (the "*Developer*") is prepared to cause the acquisition of certain real estate located within the Redevelopment Project Area and comprising approximately forty-five (45) acres and to cause the construction of a 10,000 square foot facility to be used by the Developer as an automobile auction facility which provides vehicle resale services, a detention facility, and related site improvements, including auction and automobile reconditioning services (the "*Project*"); and,

WHEREAS, in order to induce the Developer to undertake the Project, the Corporate Authorities have determined that it is in the best interests of the Village and the health, safety, morals and welfare of the residents of the Village to make certain economic development incentives available to the Developer as set forth in the Redevelopment Agreement attached hereto; and,

WHEREAS, the Corporate Authorities have determined that such economic development incentives for the benefit of the Developer and the completion of the Project by the Developer are in the best interests of the Village and the health, safety, morals and welfare of its residents and taxpayers and will be in furtherance of the Redevelopment Plan, thereby providing for economic development, enhancing the tax base of the Village and other taxing districts and adding to the welfare and prosperity of the Village and its inhabitants.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of East Dundee, Kane and Cook Counties, Illinois, that the Redevelopment Agreement by and between the Village and Insurance Auto Auction, Inc., is hereby approved and the Village President and Village Clerk are hereby authorized to execute same.

This Ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

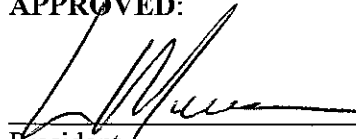
PASSED this 15th day of July 2013, pursuant to a roll call vote as follows:

AYES: Trustees Ruffulo, Lynam, Skillicom,
Selep and Wood

NAYS: Ø


ABSENT: Trustee Gorman

APPROVED:



President

Attest:



Village Clerk

REDEVELOPMENT AGREEMENT

THIS AGREEMENT (this "Agreement") is made and entered into this 1st day of February, 2014, by and between the Village of East Dundee, Illinois, an Illinois municipal corporation and a home rule unit of government pursuant to Section 6, Article VII of the Illinois Constitution of 1970 (the "Village"), and Insurance Auto Auctions, Inc., an Illinois corporation (the "Developer").

PREAMBLES

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, *et seq.*, as from time to time amended (the "TIF Act"), the President and Board of Trustees of the Village (collectively, the "Corporate Authorities") are empowered to undertake the redevelopment of a designated area within its municipal limits in which existing conditions permit such area to be classified as a "blighted area," as such term is defined in the TIF Act; and,

WHEREAS, in accordance with the requirements of the TIF Act, on August 20, 2012, the Corporate Authorities adopted Ordinance No. 12-67, which approved a redevelopment plan and project, entitled the Redevelopment Project Plan and Eligibility Report for the: Cook County Project Area (the "Redevelopment Project Area"); and,

WHEREAS, also in accordance with the requirements of the TIF Act, on August 20, 2012, the Corporate Authorities adopted Ordinances No. 12-68 and No. 12-69, which designated the Redevelopment Project Area as a "redevelopment project area," as that term is defined under the TIF Act, and approved tax increment financing for the purpose of implementing the Redevelopment Plan for the Redevelopment Project Area; and,

WHEREAS, the Corporate Authorities have determined that the blighting factors described in the Redevelopment Plan are detrimental to the public and impair development and growth in the Redevelopment Project Area, with the result that it is necessary to incur extraordinary costs in order to develop the Redevelopment Project Area; and,

WHEREAS, the blighting factors in the Redevelopment Project Area will continue to impair growth and development but for the use of tax increment financing to pay Redevelopment Project Costs, as that term is defined in Section 4 of this Agreement, which necessarily must be incurred to implement the aforesaid program of redevelopment; and,

WHEREAS, the Developer is prepared to cause the acquisition of certain real estate comprising approximately thirty-five (35) acres and the construction of a 12,000 square foot facility to be used by the Developer as an automobile auction facility which provides vehicle resale services, a detention facility, and related site improvements (the "Project"). Said real estate is legally described on *Exhibit A*, attached hereto and incorporated herein (the "Subject Property"); and,

Sgt
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WHEREAS, the Project will result in over \$9,000,000 in private investment and is anticipated to result in the creation of twenty-five (25) jobs as a result of its business operation; and,

WHEREAS, the Project is consistent with the Redevelopment Plan and is located within the Redevelopment Project Area; and,

WHEREAS, the Village is authorized under the TIF Act to enter into redevelopment agreements and to reimburse developers for redevelopment project costs as set forth in a redevelopment agreement; and,

WHEREAS, the Village is also authorized under the TIF Act to exercise any and all other powers necessary to effectuate the purposes of the TIF Act; and,

WHEREAS, as a home-rule community, the Village is authorized to exercise any power and perform any function pertaining to its government and affairs including the power to advance economic development through incentives, including a reduction of municipal impact fees; and,

WHEREAS, in order to induce the Developer to complete the Project, the Corporate Authorities have determined that it is in the best interests of the Village and the health, safety, morals and welfare of the residents of the Village to make certain economic development incentives available to the Developer on the terms and subject to the conditions set forth in this Agreement; and,

WHEREAS, the Corporate Authorities have determined that such economic development incentives for the benefit of the Developer and the completion of the Project by the Developer pursuant to this Agreement are in the best interests of the Village and the health, safety, morals and welfare of its residents and taxpayers and will be in furtherance of the Redevelopment Plan, thereby providing for economic development, enhancing the tax base of the Village and other taxing districts and adding to the welfare and prosperity of the Village and its inhabitants.

NOW, THEREFORE, the parties, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Section 1. Incorporation of Recitals. The recitals contained in the Preambles to this Agreement are true and correct and are hereby incorporated into this Agreement as though they were fully set forth in this Section 1.

Section 2. Term. Unless earlier terminated pursuant to Section 11 hereof, the term of this Agreement shall commence on the date of execution and terminate on the first to occur of (i) payment in full to the Developer of Three Million Five Hundred Thirty-Five Thousand Dollars (\$3,535,000); or (ii) December 31st of the year following the twenty-third (23rd) year from the date of designation of the Redevelopment Project Area.

Section 3. Development of the Project.

(a) The Developer shall cause the acquisition of the Subject Property, the paving and grading of the Subject Property, the construction of a 12,000 square foot pre-engineered building and a detention facility, construction of berms and all related site improvements on the Subject Property and revised "Site Plan". Those improvements shall include all items described in Exhibit D.

(b) On or before December 31, 2013, the Developer shall have delivered to the Village all of the required plans and specifications for the Project and shall have obtained all permits as may be required from the Village or any other government or agency having jurisdiction over the Project and the Subject Property.

(c) Construction of the Project shall be commenced within one hundred eighty (180) days of the later to occur of (a) Developer obtaining all necessary permits and governmental approvals; or, (b) six (6) months after the execution of this Agreement, and shall complete construction of the Project no later than eighteen (18) months thereafter, subject to *force majeure*. The Developer shall comply with the Illinois Prevailing Wage Act, 820 ILCS 130/0.01 *et seq.* (the "*Prevailing Wage Act*"), as may be required.

(d) Notwithstanding the Developer's acquisition of the Subject Property which includes thirty-five (35) acres, it is the intent of the Developer to construct vertical improvements on one and one-half (1 ½) acres of the Subject Property. In order to permit the Project to proceed, the Village hereby agrees that all municipal impact fees, as set by ordinance, shall apply to that portion of the Subject Property to be improved with vertical structures.

(e) The Developer shall encourage Adesa, Inc., a subsidiary of KAR Auction Services, Inc. ("*Adesa*"), but not be responsible to ensure that Adesa shall locate a wholesale vehicle auction operation in the Village, and in such event, the Village shall increase the annual reimbursement to the Developer as hereinafter provided in Section 4(c)(ii). *Provided, however, if Adesa does not locate its wholesale vehicle auction operation in the Village, such failure shall not be a breach or default by the Developer of its obligations under this Agreement and the Village shall have no remedy against the Developer for such failure.*

Section 4. Developer Payments.

(a) As long as no notice of an event described in Section 11 of this Agreement shall have been issued to the Developer and be continuing, and the Developer has satisfied all of its obligations under Section 3 hereof, the Village shall pay or reimburse the Developer in an amount not to exceed \$3,535,000 for Project costs incurred by the Developer as itemized in the schedule of costs attached hereto as *Exhibit B* incurred in connection with the Project to the extent such costs are "Redevelopment Project Costs." For purposes of this Agreement, "Redevelopment Project Costs" shall mean and include all costs defined as "redevelopment project costs" in Section 11-74.4-3(q) of the TIF Act which are eligible for reimbursement under the TIF Act.

(b) The parties acknowledge that the determination of Redevelopment Project Costs and qualification for reimbursement under this Agreement are subject to the TIF Act, all amendments to the TIF Act after the date of this Agreement, and administrative rules and judicial interpretations rendered during the term of this Agreement. The Village has no obligation to the Developer to attempt to modify said rules or decisions.

(c) The Village shall reimburse the Developer for Redevelopment Project Costs pursuant to this Agreement only from amounts on deposit from time to time in the IAA Subaccount of the STAF, as defined below. Monies deposited from time to time in the Special Tax Allocation Fund of the Village (the "*Special Tax Allocation Fund*" or the "*STAF*"), established by the Village pursuant to Ordinance No. 12-69 will be used for the following purposes:

- (i) On October 1 of each year [or, if later, that date which is ten (10) days following the date upon which the Village receives Incremental Taxes (as defined below) from the second installment of real estate taxes (the "*STAF Allocation Date*")], sixty-percent (60%) of the monies credited to the STAF with respect to the Subject Property during the period from the immediately preceding STAF Allocation Date to, but not including, the current STAF Allocation Date shall be transferred and deposited into the IAA Subaccount of the STAF (which Subaccount shall be automatically created by the ordinance approving this Agreement) and used solely to reimburse the Developer for Redevelopment Project Costs in accordance with this Agreement.
- (ii) In the event Adesa locates and operates a wholesale vehicle auction facility on the Subject Property commencing the following October 1 of each year thereafter [or, if later, that date which is ten (10) days following the date upon which the Village receives Incremental Taxes (as defined below) from the second installment of real estate taxes (the "*STAF Allocation Date*")], an additional fifteen percent (15%) of the monies credited to the STAF with respect to the Subject Property during the period from the immediately preceding STAF Allocation Date to, but not including, the current STAF Allocation Date shall be transferred and deposited into the IAA Subaccount of the STAF (which Subaccount shall be automatically created by the ordinance approving this Agreement) and used solely to reimburse the Developer for Redevelopment Project Costs in accordance with this Agreement.
- (iii) After the Developer has submitted all Requests for Reimbursement by the STAF Allocation Date, pursuant to Section 5, any amount remaining in the IAA Sub-Account, in excess of the amount required to reimburse the Developer for Redevelopment Project Costs, shall be transferred by the Village to the STAF.

THE VILLAGE'S OBLIGATION TO REIMBURSE THE DEVELOPER UNDER THIS

AGREEMENT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM INCREMENTAL TAXES DEPOSITED IN THE IAA SUB-ACCOUNT FROM TIME TO TIME AND SHALL NOT BE SECURED BY THE FULL FAITH AND CREDIT OF THE VILLAGE. As used in this Agreement, "Incremental Taxes" shall mean the amount in the STAF equal to the amount of ad valorem taxes, if any, paid in respect of the Subject Property and its improvements, which is attributable to the increase in the equalized assessed value of the Subject Property and its improvements over the initial equalized assessed value of the Subject Property.

Section 5. Procedures for and Application of Reimbursement to the Developer.

(a) To establish a right of payment for specific Redevelopment Project Costs under this Agreement, the Developer shall submit to the Village Administrator a written statement in the form attached to this Agreement as *Exhibit C* (a "*Request for Payment*") setting forth the amount of payment and the specific Redevelopment Project Costs for which payment is sought. Each Request for Payment shall be accompanied by such bills, paid receipts, contracts, invoices, lien waivers or other evidence as the Village shall reasonably require to evidence the right of the Developer to reimbursement under this Agreement. All receipts shall contain the date of service, type of service, location of service, amount due, name/address/telephone number of the service provider and other information as necessary to establish the identity of the provider, type of service and amount invoiced/paid. The Village Administrator or his designated agent shall have thirty (30) days after receipt of any Request for Payment from the Developer to approve or disapprove any of the expenditures for which reimbursement is sought. If said Request for Payment is not approved, the Village Administrator shall provide to the Developer a written explanation setting forth the reason or reasons for the denial. Provided, however, the only reasons for disapproval of any expenditure for which reimbursement is sought shall be that (i) such expenditure is not an expenditure included in the itemized list of costs of the Project as provided by the Developer pursuant to Section 4 hereof; or (ii) such expenditure was not incurred by the Developer in accordance with the provisions of this Agreement.

(b) *Repayment Obligation.* In the event the Developer ceases to continuously operate its automobile auction facility or its equivalent (the "*Business*") for a period of ten (10) years following the initial date of operation, the Developer shall repay any Project costs actually disbursed by the Village pursuant to paragraph (a) above for the Project, said repayment reduced each year (twelve (12) calendar months) of uninterrupted operation of the Business (i.e., days and hours of operation generally consistent with those in effect for the Business as of the date of this Agreement subject to interruption of utility services and other events of force majeure) by 10%. Notwithstanding the foregoing, the provisions of this subparagraph (b) shall not apply, and no repayment obligation shall be triggered on the part of the Developer, to the extent the Developer ceases to operate the Business as a result of any court order or injunction, or any legislation or regulation that, in the reasonable discretion of the Developer, makes the continuation of the Business impractical.

Section 6. No Liability of Village to Others for Developer's Expenses.

Except as otherwise provided in this Agreement with respect to economic development incentives, the Village shall have no obligations to pay costs of the Project or to make any payments to any person other than the Developer, nor shall the Village be obligated to pay any contractor, subcontractor, mechanic, or materialman providing services or materials to the Developer for the Project.

Section 7. Compliance with Applicable Laws.

(a) The Developer shall construct the Project in accordance with the approved plans and permits and at all times maintain the Project in a state of good repair in conformance with all applicable federal, state and local laws, regulations and ordinances, including, but not limited to, zoning, building codes, environmental codes, life safety codes, property maintenance codes and any other applicable codes and ordinances of the Village (collectively referred to as the "*Legal Requirements*").

(b) The Developer shall pay, when due, all amounts due and owing to the Village, including but not limited to, permit fees, taxes, transfer taxes, licensing fees and any other tax or fee assessed against the Developer by the Village.

Section 8. The Developer's Representations and Warranties.

In addition to the other representations, warranties, covenants and agreements of the Developer set forth in this Agreement, the Developer represents and warrants as follows:

(a) The Developer is an Illinois corporation duly organized and existing under the laws of the State of Illinois, and is authorized to enter into, and by proper corporate action has been duly authorized to execute, deliver and perform this Agreement. The Developer is now and at all times hereafter shall be solvent, able to pay its debts as they mature and financially able to perform all of the terms of this Agreement. To the Developer's knowledge, there are no actions, suits or similar proceedings pending or threatened before any court or governmental or administrative body or agency affecting the Developer which would result in any material adverse change to the Developer's financial condition or which would materially and adversely affect the ability of the Developer to complete the Project and operate its Business.

(b) The Developer covenants that no officer, employee or agent of the Developer, or any other person connected with the Developer, has made, offered or given, either directly or indirectly, to the Corporate Authorities or any other person connected with the Village, except for payments for which adequate and fair consideration was received in return, any money or anything of value as a gift or bribe or other means of influencing his or her action in his or her official capacity with the Village.

(c) The Developer hereby acknowledges that the Village has imposed a ten dollar (\$10.00) per motor vehicle transfer tax (Section 35.12 of the Village of East Dundee Code of

Ordinances) (the "*Transfer Tax*") which shall be applicable to the Developer's operation, as provided by Section 12(b) herein, and payable by the buyer of any automobile sold at wholesale at the Subject Property.

Section 9. No Discrimination.

(a) The Developer shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. To the fullest extent permitted by law, the Developer shall take affirmative action to require that applicants are employed and that employees are treated during employment, without regard to their race, creed, color, religion, sex or national origin. Notwithstanding the foregoing, the Developer may employ union labor hereunder pursuant to the rules, regulations and practices of applicable unions.

(b) There shall be no discrimination against or segregation of any person or group of persons on account of sex, race, color, creed, national original or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Subject Property. Neither the Developer nor any person claiming under or through the Developer shall establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of any portion of the Subject Property.

Section 10. Developer Indemnification. The Developer shall indemnify and hold harmless the Village, its agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorneys' fees) which may arise directly or indirectly from (i) the failure of the Developer to timely pay any contractor, subcontractor, laborer or materialman or any claim or cause of action whatsoever brought by a third party arising out of the construction of the Project; (ii) the failure of the Developer to comply with the Prevailing Wage Act or any Legal Requirements; or (iii) any negligence or reckless or willful misconduct of the Developer or any contractor, subcontractor or agent or employee thereof. The Developer shall, at its own cost and expense, appear, defend and pay all charges of attorneys, costs and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against the Village, its agents, officers, officials or employees in any such action, the Developer shall, at its own expense, satisfy and discharge the same. This paragraph shall not apply, and the Developer shall have no obligation whatsoever, with respect to any acts of negligence or reckless or willful misconduct on the part of the Village or any of its, officers, officials, agents, employees or contractors.

Section 11. Default - Remedies.

(a) If the Developer defaults in the performance of any material covenant, warranty, representation or obligation set forth in this Agreement, the Village shall provide the Developer with a written statement setting forth the default of the Developer. Except as required to protect against further damages, the Village may not exercise any remedies against the Developer in connection with such failure until thirty (30) days after giving such notice. If such default cannot

be cured within such thirty (30) day period, said thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, as long as the Developer is diligently proceeding to cure such default. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the Village in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach or of any rights or remedies it may have as a result of such default or breach.

(b) If the Developer fails to cure any default after the expiration of the cure period described in subparagraph (a), the Village may terminate this Agreement or seek specific performance; provided however, that if the Developer's failure to cure is with respect to its failure to commence to construct the Project in accordance with Section 3(c), then the Village's sole remedy shall be to terminate this Agreement and if the Developer's failure to cure is with respect to its failure to complete the Project, once commenced, then the Village's exclusive remedies shall be to terminate this Agreement and require the Developer to return the Subject Property to its prior condition. If the Developer ceases to operate its Business as described in Section 5(b) above, the Village shall only be entitled to terminate this Agreement and to recover the amounts stated in Section 5(b) as its sole remedies. The Village shall be entitled to recover statutory interest on the amounts recoverable under Section 5(b) as well as the reasonable cost of enforcing the Developer's obligations hereunder.

(c) If the Village defaults in the performance of any material covenant, warranty, representation or obligation set forth in this Agreement, the Developer shall provide the Village with a written statement setting forth the default. The Developer may not exercise any remedies against the Village in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, as long as the Village is diligently proceeding to cure such default. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the Developer in asserting any of its rights or remedies as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach or of any rights or remedies it may have as a result of such default or breach. In the event of a breach of this Agreement by the Village, the Developer may institute legal action for specific performance against the Village and the Developer shall be entitled to recover monetary damages limited to amounts due to the Developer and unpaid under this Agreement, statutory interest thereon, and the reasonable cost of enforcing the Village's obligations hereunder.

(d) Upon any dispute between the parties under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable attorneys' fees, costs and expenses incurred in contesting such dispute.

(e) Neither party to this Agreement shall be entitled to or shall have liability for consequential or punitive damages under the provisions, terms or conditions of this Agreement

(f) It is hereby agreed by the Developer that no recourse for any claim under or upon any obligation contained in the Agreement shall be had against the Village, its officers, agents, attorneys, representatives, or employees, in any amount in excess of any specific sum agreed to be paid by the Village pursuant to this Agreement; and no liability, right, or claim at law or in equity shall be attached to

or incurred by the Village, its officers, agents, attorneys, representatives or employees in any amount in excess of any specific sums agreed by the Village to be paid hereunder, and any such claim is hereby expressly waived and released as a condition of and in consideration for the execution of this Agreement by the Village.

Section 12. Verification of Increment, Limitation on Increase of Transfer Tax.

(a) The Developer shall use its best efforts to cooperate with the Village in obtaining certified copies of all real estate tax bills for the year 2012 (payable in 2013) and each year thereafter during which time amounts in the STAF are used to pay Redevelopment Project Costs or TIF Revenue Bonds pursuant to this Agreement.

(b) The Village hereby agrees that so long as this Agreement is in full force and effect, any increase in the Transfer Tax imposed by the Village shall not be applicable to the Developer, the Business or the assignee or transferee of the Developer approved by the Village pursuant to Section 21 hereof, unless the Developer or said assignee or transferee of the Developer agrees to such increase.

Section 13. Notices.

All notices, demands, requests, consents, approvals or other communications required or permitted by this Agreement shall be given in writing at the addresses set forth below and shall be deemed to have been given (i) on the day of actual delivery if delivered personally, (ii) on the day immediately following deposit with overnight courier, or (iii) as of the third (3rd) day from and including the date of posting if mailed by registered or certified first class mail, postage prepaid, return receipt requested. The parties, by notice hereunder, may designate any further or different addresses to which subsequent notices, demands, requests, consents, approvals or other communications shall be sent.

If to the Village: Village of East Dundee
c/o Village Administrator
120 Barrington Ave.
East Dundee, Illinois 60118

With a copy to: Kathleen Field Orr & Associates
53 West Jackson Blvd., Suite 964
Chicago, Illinois 60604

If to the Developer: Insurance Auto Auctions, Inc.
c/o Sidney Kerley
2 Westbrook Corporate Center #50
Westchester, Illinois 60154

With a copy to: Polsky & Associates, Ltd.
205 North Michigan Avenue, Suite 4220
Chicago, Illinois 60601

Section 14. Time is of the Essence; Force Majeure.

Time is of the essence of this Agreement; provided, however, a party shall not be deemed in material breach of this Agreement with respect to any obligations of this Agreement on such party's part to be performed if such party fails to timely perform the same and such failure is due in whole or in part to any strike, lock-out, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruptions of power, restrictive governmental laws and regulations, condemnations, riots, insurrections, war, fuel shortages, accidents, casualties, floods, earthquakes, fires, acts of God, epidemics, quarantine restrictions, freight embargoes, acts caused directly or indirectly by the other party (or the other party's agents, employees or invitees) or similar causes beyond the reasonable control of such party ("Force Majeure"). If one of the foregoing events shall occur or either party shall claim that such an event shall have occurred, the party to whom such claim is made shall investigate the same and consult with the party making such claim regarding the same and the party to whom such claim is made shall grant any extension for the performance of the unsatisfied obligation equal to the period of the delay, which period shall commence to run from the time of the commencement of the Force Majeure; provided that the failure of performance was reasonably caused by such Force Majeure.

Section 15. Counterparts.

This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

Section 16. 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.

Section 17. Choice of Law/Venue.

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with venue lying in the Circuit Court for Kane County, Illinois.

Section 18. Amendments.

This Agreement (together with the Exhibits attached hereto) constitutes the entire agreement between the Village and the Developer and supersedes all prior agreements, negotiations and discussions between them relating to the subject matter hereof. This Agreement may not be modified or amended except by a written instrument executed by all the parties or their permitted successors or assigns.

Section 19. Third Parties.

Except as specifically set forth in this Agreement, nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the parties, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party, nor shall any provision give any third parties any rights of subrogation or action over or against any party.

Section 20. Waiver.

Any party 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.

Section 21. Assignment.

The Developer may not assign its rights or obligations under this Agreement without the express written consent of the Village, which approval shall not be unreasonably withheld, conditioned or delayed upon demonstration by the Developer of the proposed transferee's or assignee's experience and financial capability to undertake and perform all of the Developer's obligations under this Agreement. Notwithstanding the foregoing, the Village hereby approves, and no prior consent shall be required in connection with: (i) the right of the Developer to encumber or collaterally assign its interest in this Agreement to secure loans, advances or extensions of credit, to finance or, from time to time refinance, all or any part of the costs of the Project, or the right of the holder of any such encumbrance or transferee of any such collateral assignment to transfer such interest under such encumbrance or collateral assignment and (ii) the right of the Developer to assign its rights and obligations under this Agreement to any entity in the ownership structure of the Project or any affiliate of Developer.

Section 22. No Joint Venture, Agency or Partnership Created.

Nothing in this Agreement, nor any actions of the parties, 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.

Section 23. No Personal Liability of Officials of the Village.

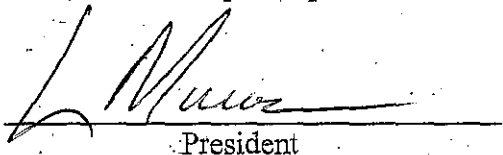
No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any member of the Corporate Authorities or any official, officer, agent, employee or attorney of the Village, in his or her individual capacity, and no official, officer, agent, employee or attorney of the Village 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.

Section 24. Actions Contesting the Validity of the Redevelopment Plan or Designation of the Redevelopment Project Area.

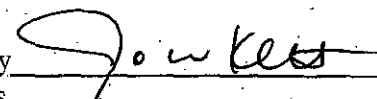
The Village shall not be required to defend any actions contesting the Redevelopment Plan or the designation of the Redevelopment Project Area.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at East Dundee, Illinois.

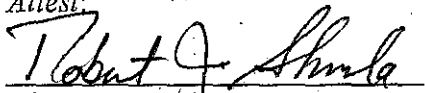
VILLAGE OF EAST DUNDEE, ILLINOIS,
an Illinois municipal corporation


President

INSURANCE AUTO AUCTIONS, INC.,
an Illinois corporation

By 
Its _____

Attest:


Village Administrator

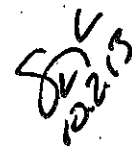

12/2/13

EXHIBIT A

Subject Property Legal Description

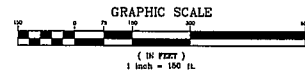
“LOT 1 OF VCNA PRAIRIE SUBDIVISION, BEING A SUBDIVISION OF PART OF THE WEST HALF OF SECTION 30, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.”

MAL TAX BILL TO:
VCNA PRAIRIE AGGREGATE REMEDIATION SERVICES, LLC
7801 W. 79TH STREET
BRIDGEVIEW, ILLINOIS 60455

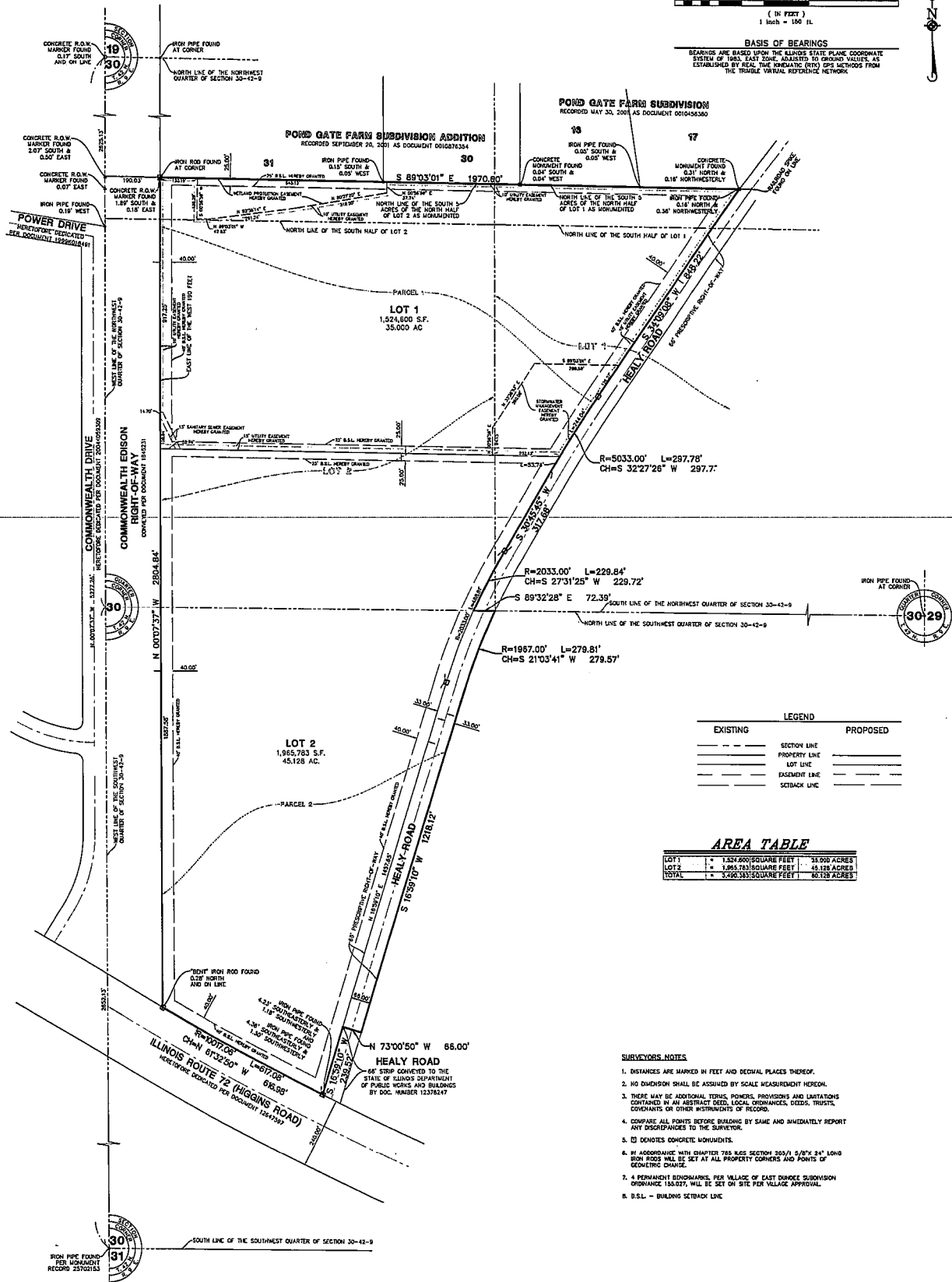
FINAL PLAT OF SUBDIVISION OF VCNA PRAIRIE SUBDIVISION BEING A SUBDIVISION PART OF THE WEST HALF OF SECTION 30, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PLAT SUBMITTED BY:
INSURANCE AUTO AUCTIONS, INC.
TWO WESTBROOK CORPORATE CENTER
SUITE 500
WESTCHESTER, ILLINOIS 60154

CURRENT P.L.N.:
01-30-100-008-0000
01-30-100-010-0000



BASIS OF BEARINGS
BEARINGS ARE BASED UPON THE ALABAMA STATE PLANE COORDINATE SYSTEM OF 1983 EAST ZONE, ADJUSTED TO GROUND VALUES AS ESTABLISHED BY REAL TIME KINEMATIC (RTK) GPS METHODS FROM THE TRIMBLE VIRTUAL REFERENCE NETWORK.



LEGEND	
EXISTING	PROPOSED
SECTION LINE	SECTION LINE
PROPERTY LINE	PROPERTY LINE
LOT LINE	LOT LINE
EASEMENT LINE	EASEMENT LINE
SETBACK LINE	SETBACK LINE

AREA TABLE

LOT 1	= 1,524,800 SQUARE FEET	= 35.000 ACRES
LOT 2	= 1,965,783 SQUARE FEET	= 45.128 ACRES
TOTAL	= 3,490,583 SQUARE FEET	= 80.128 ACRES

SURVEYOR'S NOTES

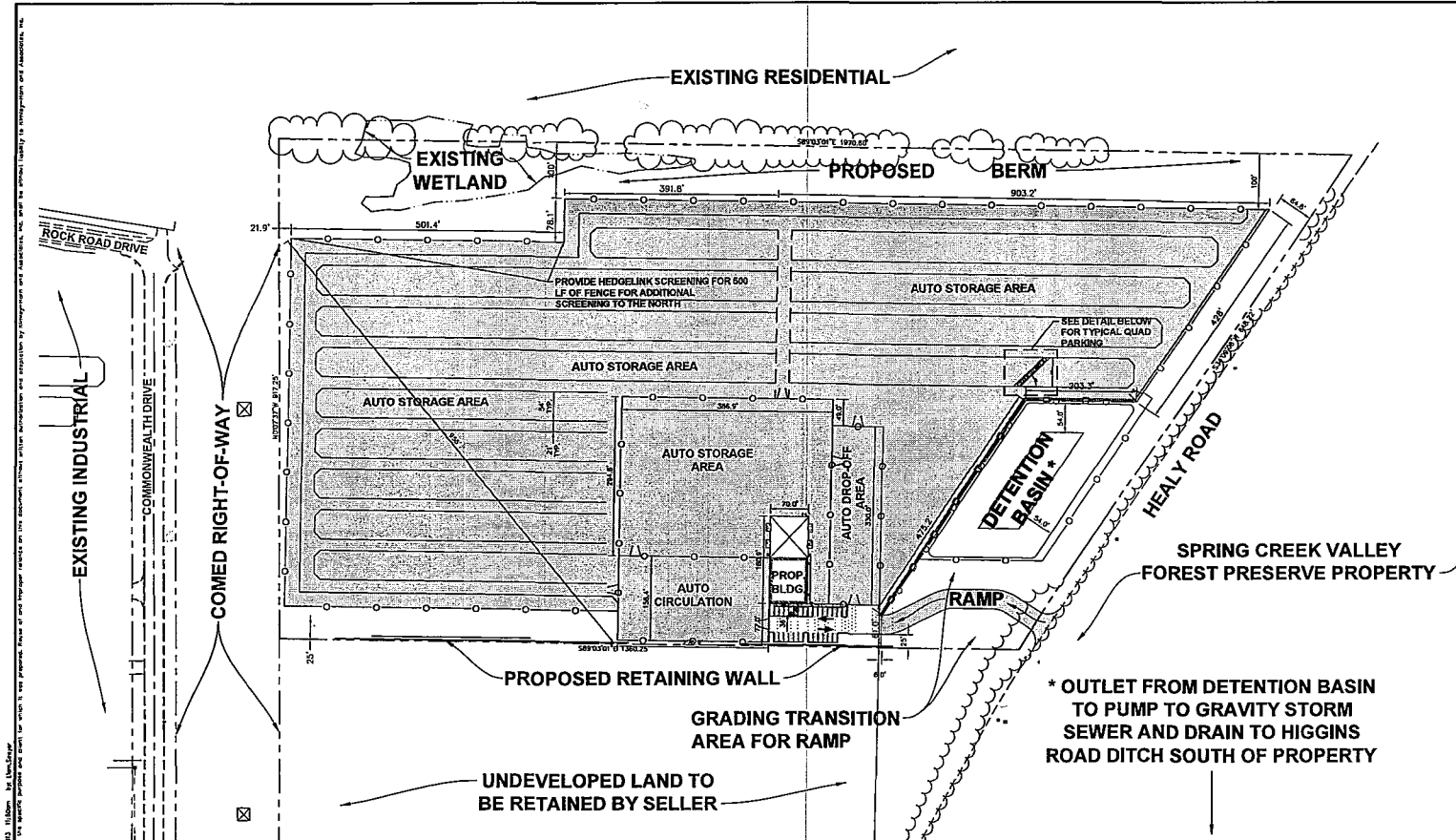
1. DISTANCES ARE MARKED IN FEET AND DECIMAL PLACES THEREOF.
2. NO DIMENSION SHALL BE ASSUMED BY SCALE MEASUREMENT HEREON.
3. THERE MAY BE ADDITIONAL TIES, POWERS, PROVISIONS AND LIMITATIONS CONTAINED IN AN ABSTRACT DEED, LOCAL ORDINANCES, DEEDS, TRUSTS, COVENANTS OR OTHER INSTRUMENTS OF RECORD.
4. COMPARE ALL POINTS BEFORE BUILDING BY SAME AND IMMEDIATELY REPORT ANY DISCREPANCIES TO THE SURVEYOR.
5. "D" DENOTES CONCRETE MONUMENTS.
6. IF ADDITIONAL WITH CHAPTER 785 ILLCS SECTION 303.1/ 5/27/04 24" LONG IRON RODS WILL BE SET AT ALL PROPERTY CORNERS AND POINTS OF GEOMETRIC CHANGE.
7. 4 PERMANENT BENCHMARKS, PER VILLAGE OF EAST DUNDEE SUBDIVISION ORDINANCE 150.027, WILL BE SET ON SITE PER VILLAGE APPROVAL.
8. B.S.L. - BUILDING SETBACK LINE

MANHARD CONSULTING, INC. 11000 11000	VCNA PRAIRIE SUBDIVISION VILLAGE OF EAST DUNDEE, ILLINOIS FINAL PLAT OF SUBDIVISION
--	---

Manhard CONSULTING LTD.
700 Empire Drive, Suite 100, East Dundee, IL 60119-2893
Civil Engineers • Surveyors • Water Resources Engineers • Water & Wastewater Engineers
Construction Managers • Environmental Scientists • Landscape Architects • Planners

DATE	REVISION	BY
06/28/12	REVISION 1	MANHARD
06/28/12	REVISION 2	MANHARD
06/28/12	REVISION 3	MANHARD
06/28/12	REVISION 4	MANHARD
06/28/12	REVISION 5	MANHARD
06/28/12	REVISION 6	MANHARD
06/28/12	REVISION 7	MANHARD
06/28/12	REVISION 8	MANHARD
06/28/12	REVISION 9	MANHARD
06/28/12	REVISION 10	MANHARD

DATE	REVISIONS	DRAWN
06/05/12	REVIEW COMMENTS DATED 06/05/12	SJP
06/20/12	CLIENT COMMENTS DATED 06/24/12 & 06/29/12	SJP
06-07-12	REVISED PER VILLAGE COMMENTS DATED 06-01-12	SJP



SITE DATA TABLE		
TOTAL LOT AREA	35.00 AC	(1,524,600 SF)
TOTAL AREA DISTURBED *	30.70 AC	(1,337,390 SF)
PAVED AREA	0.34 AC	(14,810 SF)
AUTO STORAGE AREA	25.39 AC	(1,106,170 SF)
ROOFED AREA	0.26 AC	(11,205 SF)
STORMWATER DETENTION AREA	1.22 AC	(53,160 SF)
PARKING STALLS	23 REGULAR 1 ACCESSIBLE	
* DOES NOT INCLUDE ANY OFF-SITE DISPOSAL OR BORROW AREAS - CONTRACTOR TO UPDATE AS NECESSARY DURING CONSTRUCTION.		

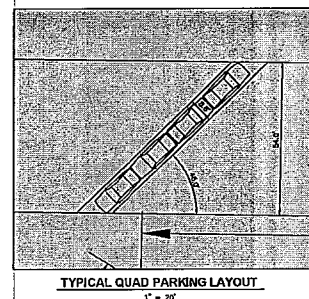
[illegible]

EXHIBIT B

Redevelopment Project Costs

Exhibit B

Eligible Redevelopment Project Costs

Cost of Acquisition	\$2,700,000
Storm Water Control	\$390,000
Retaining Wall	\$150,000
Soil Stabilization	\$500,000
Grading	\$800,000
Wetland Mitigation	\$18,700
Clay Liner [Per IEPA]	\$150,000
Ground Water Monitoring [Per IEPA]	\$150,000
Perimeter Screening and Landscaping (North Boundary Line)	\$240,000
Offsite Storm Sewer Extension and Pump Station	\$215,000
Septic and Well	\$ 53,700
Healy Road Improvements	\$345,000
Higgins Road Improvements	\$350,000
	<hr/>
	\$6,062,400
	<hr/>

Reimbursement not to exceed \$3,535,000

EXHIBIT C

Request for Reimbursement Form

Exhibit C

Form of Request for Reimbursement

REQUEST FOR REIMBURSEMENT

[DATE]

Village of East Dundee
120 Barrington Ave.
East Dundee, IL 60118
Attention: Village Administrator

*Re: Redevelopment Agreement, dated _____, 2013, by and
between the Village of East Dundee, Illinois, and
Insurance Auto Auctions, Inc. (the "Developer")*

Dear Village Administrator:

You are requested to disburse funds from the Special Tax Allocation Fund pursuant to Section 4 of the Redevelopment Agreement described above in the amount(s), to the person(s) and for the purpose(s) set forth in this Request for Reimbursement. The terms used in this Request for Reimbursement shall have the meanings given to those terms in the Redevelopment Agreement.

1. REQUEST FOR REIMBURSEMENT NO.: _____
2. AMOUNT TO BE DISBURSED: _____
3. The amount requested to be disbursed pursuant to this Request for Reimbursement will be used to reimburse the Developer for those Redevelopment Project Costs for the development of the Project detailed in Schedule 1 attached to this Request for Reimbursement.
4. The undersigned certifies that:
 - (i) the amounts included in 2 above were made or incurred and were necessary for the development of the Project and were made or incurred in accordance therewith;
 - (ii) the amounts paid or to be paid, as set forth in this Request for Reimbursement, represents a part of the funds due and payable for Redevelopment Project Costs;

- (iii) the expenditures for which amounts are requisitioned represent proper Redevelopment Project Costs identified in the itemization of Project Costs described in Section 4 of the Redevelopment Agreement, have not been included in any previous Request for Reimbursement, have been properly recorded on the Developer's books and are set forth in Schedule 1, with paid invoices attached for all sums for which reimbursement is requested;
 - (iv) the moneys requisitioned are not greater than those necessary to meet obligations due and payable or to reimburse the Developer for its funds actually advanced for Redevelopment Project Costs; and
 - (v) the Developer is not in default under the Redevelopment Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under the Redevelopment Agreement.
5. Attached to this Request for Reimbursement is Schedule 1, together with copies of invoices or bills of sale covering all items for which reimbursement is being requested, and a copy of the Eligible Redevelopment Project Cost Schedule on which it has been noted all eligible Redevelopment Project Costs heretofore reimbursed to the Developer.

APPROVED:

VILLAGE OF EAST DUNDEE, ILLINOIS

By:

Village Administrator

Date: _____

Insurance Auto Auctions, Inc.

By: _____
Its: _____

EXHIBIT D

Extra Site Improvements



Kimley-Horn
and Associates, Inc.

■
1001 Warrenville Road
Suite 350
Lisle, IL 60532

April 24, 2013

Revised

Mr. Robert Skurla
Village of East Dundee
120 Barrington Avenue
East Dundee, IL 60118

**Re: Additional Cost for Site Extras
Insurance Auto Auctions
600 Commonwealth Drive
East Dundee, IL**

Dear Mr. Skurla:

The memorandum dated January 9, 2013 has been updated below per your request based on the Final Site Plan dated April 24, 2013 with costs for Healy Road, Route 72 Roadway Improvements, and other additional improvements for the proposed IAA development. These additional costs are a result of ComEd's inability to allow IAA to cross their property for access and utility purposes.

The previous improvements and associated costs no longer applicable as a result of the new plan have been crossed out below for your information. *We have provided the updated information as of the date of this letter highlighted in red below.* The following is the memorandum from January for the Village's review and consideration:

This memorandum is in response to Joseph Heinz's memorandum addressed to your attention dated December 21, 2012 regarding improvements necessary for the development of the proposed IAA development at 600 Commonwealth Drive that are in addition to the requirements of the Village of East Dundee ordinances and typical site conditions. Mr. Heinz's memorandum identifies eight items that meet these criteria. These items are discussed below with associated costs provided as requested. Some of the construction costs have been provided by IAA as they were obtained from the construction bids for the associated work.



1. Wetland Mitigation: The site has wetlands that are to be mitigated and also have existing wetlands that are to be maintained which require additional buffers.

Response: Wetland mitigation credits were purchased by IAA at a cost of \$18,700.

2. Perimeter Screening: Type 1 perimeter screening is required for commercial/industrial development along the north boundary line adjacent to residential use. Type 1 perimeter screening by berm, Alternative C, is defined as a 25' buffer area with a berm at least three feet in height, a four feet high shrub every 10 feet (197 shrubs), a 2-1/2" caliper tree every 40 feet (49 trees), for 75% of the perimeter length. The IAA plan calls for a berm 8-12 feet in height, 25 trees, 53 evergreens, and 340 shrubs.

Response: The cost of the additional screening and landscaping necessary to meet these requirements is \$240,000.

3. Clay Liner: The Illinois Environmental Protection Agency (IEPA) is strongly suggesting that a synthetic or clay liner be placed under the auto storage areas and stormwater detention area with a hydraulic conductivity rate not to exceed 1×10^{-7} centimeters per second (cm/sec).

Response: In order to meet this requirement, the additional cost to install a liner would be \$150,000.

4. Groundwater Monitoring: The Illinois Environmental Protection Agency (IEPA) is strongly suggesting that three test wells be placed on the site. These wells are to be baseline tested and then tested quarterly. The stormwater detention facility will also need to be tested annually. The reports are to be kept on the site for inspection.

Response: The cost for this additional monitoring and testing for a 5 year period will be \$150,000.

- ~~5. Commonwealth Edison Right of Way: The cost to service the site with utilities and drive access is increased due to the 190' width of the Commonwealth Edison right of way. Additional costs are also likely for the developer to negotiate the rights to cross through the right of way.~~

~~***Response: There will be additional measures required to provide utility and vehicle access to the site to cross the ComEd right of way in the amount of \$150,000.***~~



6. Sanitary Sewer Service: Typically the sanitary sewer is located along the frontage of a property. In this case, in addition to the extra 190' of sewer due to the Commonwealth R.O.W., the sewer needs to be extended to the south another 400' to tie into the existing system.

Response: The cost associated with this additional sanitary sewer work will be approximately \$100,000.

7. Stormwater Detention: Due to the partial reclamation of the site, the site currently drains to a low area that cannot be drained by gravity. The detention is proposed to be drained by a forcemain storm sewer. The forcemain is approximately 1600' in length due to the proximity of the low area and the receiving storm sewer. The stormwater from the site is also to be treated before draining to the storm sewer.

Response: The additional work necessary for the treatment of the runoff and installation of a lift station and forcemain system will be \$250,000.

8. Topography: There are additional challenges in regards to the topography of the site since reclamation of the site did not leave the lot in development ready condition. A considerable amount of earthwork will be necessary to flatten out the steep slopes. A retaining wall along the south side will also be necessary to accommodate the grade change along the property line.

Response: The cost of the additional retaining wall which is necessary to accommodate the grading design of the site will be an additional \$150,000.

9. Healy Road Improvements: Healy Road is not in a condition to allow for public traffic to the IAA development and therefore will require a new pavement section as a result. A 24 foot wide pavement with a 4' aggregate shoulder is required per discussions with the Village.

Response: The cost for approximately 1,725 lineal feet of roadway is \$345,000.

10. Higgins Road (Route 72) Improvements: The Illinois Department of Transportation (IDOT) requires left and right turn lanes for a full access to Healy Road. The scope of work is similar to the existing turn lanes into the Forest Preserve entrance immediately to the east of Healy Road.



Response: The cost of the roadway widening for the turn lanes is approximately \$350,000.

11. *Offsite Storm Sewer Extension and Pump Station: As indicated in Comment #7 above, a stormwater lift station is required because the property drains to a low area that cannot be drained by gravity sewer. The outlet from the original plan has been revised to drain within Healy Road to an existing culvert in the Higgins Road right-of-way.*

Response: The cost for the lift station is approximately \$125,000 and the extension of forcemain/gravity sewer along Healy Road for a length of 1,725 lineal feet is \$90,000.

12. *A mechanical septic system and a well will be installed to provide sewer and water service for the development due to the inability to connect to the public water and sewer facilities located in Commonwealth Drive west of the subject property.*

Response: The cost for the mechanical septic system is \$23,700 (as provided by a septic contractor) and the cost for a well is approximately \$30,000 (allowance).

When combining the cost for the ~~eight~~ additional work items necessary for the project, we arrive at a total cost of ~~\$1,208,700~~ \$1,672,400.

In addition to the updated information provided above, IAA would like to provide the following clarification to the Village:

- 1. The proposed lighting on the building will be in conformance with the Barrington Hills "Dark Sky" Ordinance.*
- 2. The proposed building will be designed and constructed as two separate buildings with a 3-hour rated firewall between them. As a result, a fire protection system will not be required for the building.*



Kimley-Horn
and Associates, Inc.

Mr. Robert Skurla
April 24, 2013
Page 5

We trust these responses adequately address the items referenced in Mr. Heinz's memorandum. If you have any questions or require any additional information, please contact me at 630-487-5564.

Sincerely,

Kimley-Horn and Associates, Inc.

Scott M. Willson, P.E.
Senior Project Manager

Cc: Michael Madden, IAA
Rich Hoopis, IAA
Steve Tibble, IAA
Ryan Matthews, IAA
Joseph Heinz – Gerald L. Heinz & Associates, Inc.

Insurance Auto Auctions, Inc
Environmental Best Management Practices



Insurance Auto Auctions, Inc.
Westchester, IL

Prepared by:



Tetra Tech, Inc.
950 17th Street, 22nd Floor
Denver, CO 80301

July 2007

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1.0 INTRODUCTION.....	1
2.0 REVIEWS AND CHANGES	1
3.0 IAA OPERATIONS.....	1
4.0 HAZARDOUS WASTE STORAGE AND DISPOSAL	2
4.1 Conditionally Exempt Small Quantity Generator	3
4.1.1 Disposal:.....	3
4.1.2 Documentation and Reporting:	3
4.1.3 Storage:.....	3
4.2 Small Quantity Generator	4
4.2.1 Generation and Disposal:	4
4.2.2 Documentation and Reporting:	4
4.2.3 Storage:	5
4.2.4 Labeling:	5
4.2.5 Time Limitations:.....	5
5.0 POTENTIAL IMPACTS TO STORM WATER.....	5
6.0 BEST MANAGEMENT PRACTICES.....	6
6.1 Good Housekeeping.....	6
6.2 Preventive Maintenance	6
6.3 Inspections	7
6.4 Storm Water Control Measures	9
6.4.1 Vegetative Storm Water Controls	9
6.4.2 Structural Control Measures	10
6.5 Release Response	10
6.5.1 Procedures	11
6.5.2 Response Team	12
6.6 Vehicle Washing.....	13
6.7 Flood Vehicle Preparation	13
6.8 Specialized Equipment Service and Maintenance.....	14
7.0 Employee Training	15

6.0 BEST MANAGEMENT PRACTICES

The following BMPs for IAA branches provide guidance on how to minimize adverse environmental impacts from operations. The BMPs include general practices such as good housekeeping, preventative maintenance and inspections to prevent environmental issues. Guidance is also provided for BMPs that control storm water impacts and response to spills. Finally, operation-specific BMPs cover vehicle washing, flood vehicle preparation and equipment service and maintenance.

6.1 Good Housekeeping

Employees at IAA branches follow good housekeeping procedures to reduce the possibility of accidental releases and to reduce safety hazards to facility personnel. Key elements of IAA's good housekeeping program include the following items:

- Visual inspections of vehicles brought to the branch to assess integrity of vehicle fluid systems and identify the need for repair or remedy of vehicle hydraulic/mechanical systems that could leak significant materials on the property.
- Visual inspections of travel aisles in the storage yard for evidence of releases of significant materials and identifying the cause of the release when possible. Removal of the miscellaneous debris (i.e., loose vehicle parts that may have inadvertently fallen off of the host vehicle), as necessary, to prevent possible damage to site vehicles.
- Regular maintenance of site vehicles and equipment to prevent de minimis releases.
- Careful handling of vehicles, to minimize the potential for damage to vehicle systems, which may in turn cause a release.
- Proper handling, storage and inventory of significant materials, when necessary in the storage yard and within the branch garage or warehouse.
- Orderly storage and inventory of stored vehicles.
- Prompt, routine removal of de minimis releases.
- Continued training of IAA personnel regarding good housekeeping practices.

6.2 Preventive Maintenance

IAA personnel are responsible for the continued inspections and preventative maintenance. Preventive maintenance includes visual operational inspection of facility

equipment, trucks, loaders, and storm water management features to detect conditions which may cause breakdowns or failures resulting in the potential discharge of significant materials into storm water.

Preventive maintenance applies to the following branch features that are considered an integral part of facility BMPs for storm water and pollution prevention systems:

- Catch basins and culvert systems
 - Drainage swales
 - Vegetated areas
 - Site grading
 - Pavement
 - Trucks and forklifts
-
- Fuel storage tanks; above ground and underground

6.3 Inspections

To prevent the release of materials, IAA personnel conduct routine inspections. Inspections include fuel storage and material storage areas as well as the storage yards. Daily routine visual inspections are conducted in the vehicle storage yard and building areas. Inspections of vehicles are conducted prior to their arrival at an IAA branch by the drivers before the vehicles are loaded on transports. The indoor and outdoor vehicles are inspected daily during normal yard operations. Inspections of vehicles, equipment, fueling equipment, and building maintenance material are done routinely in the course of normal business operations.

Each system and major item of branch equipment is inspected at least monthly. Inspection procedures vary depending upon the equipment or system; however, the major elements of the inspection program include observation of equipment and environmental conditions of the branch.

Regulations require that ASTs containing petroleum products are visually inspected once every thirty days. If an issue is identified that requires action, the issue is

Insurance Auto Auctions, Inc.
Environmental Best Management Practices

documented and subsequent remedy is recorded upon timely completion. Visual inspections include addressing the following questions:

- Are there any visible leaks on tanks, tank seams, connections, fittings, valves?
- Are there any visible leaks on aboveground piping, pipe seams, connections, fittings, flanges, threaded connections, pumps or valves?
- If utilized, is overfill prevention or leak detection equipment in good operating condition?
- If a double-walled tank is utilized, is the interstice free of liquid and is the interstitial monitoring equipment operating properly?
- Is the secondary containment system free of tank product and other liquids or debris, such as rainwater, snowmelt, dirt, leaves, trash, etc.?
- Are concrete surfaces and ground free of any evidence of new leaks or spills?
- Are tank supports, berms, bollards or bumpers surrounding the tank in good condition?
- Is the tank labeled with appropriate signs identifying the material within and with appropriate warnings?
- Do you have the appropriate supplies for cleaning up a spill and overfill? Are these supplies appropriately marked and conveniently located?

6.4 Storm Water Control Measures

Storm water BMPs described in this section focus on controlling and reducing possible contaminants that may discharge to storm water. Storm water devices used to reduce contaminants that may enter storm water could include vegetative swales, hay bales, and absorbent booms. Branches may incorporate vegetative and structural control measures to reduce pollutants to storm water. Storm water BMPs and devices used to control and reduce the impacts of pollutants discharged into storm water are described in the following sections.

6.4.1 Vegetative Storm Water Controls

Vegetative controls refer to landscaping practices that provide pollutant removal primarily by limiting sediment movement and preventing erosion. Vegetative control may include vegetated filter strips, grassed swales, and habitat creation/preservation, and landscaping. IAA branches may use the following vegetative storm water controls.

Vegetative Strips: Vegetative strips may be placed perpendicular to the direction of surface water flow across the branch.

Vegetative Swales: Vegetated drainage swales may be used to provide pollutant removal, velocity reduction, and erosion protection.

6.4.2 Structural Control Measures

Engineered controls consist of non-natural features constructed or placed with the intent of reducing impacts of pollutants to surface water discharge from IAA branches. The following engineered controls may be used:

Release Containment: Release containment (metal dikes or something similar) may be used around ASTs. Double-walled ASTs may be used where feasible.

Wood Chips: Natural, untreated wood chips may be distributed along the ground surface to provide filtration of surface runoff flow and to provide dust suppression through retention of moisture at ground surface.

Crushed Stone and Gravel: Stone and gravel placement in high traffic areas helps minimize erosion and sediment additions to storm water drainage areas.

Berms: Earthen or concrete berms may be used to control and contain flow.

Oil Absorbent Boom: Oil absorbent booms may be used based on observation of surface water conditions. An oil absorbent boom acts as a barrier against the transport of oil and grease by removing them from surface water flow.

Plastic Covering: Vehicles received at branches with their outer body coverings intact provide inherent covering of vehicle mechanical system surfaces. Select vehicles and components may be shrink-wrapped with polyethylene plastic to prevent contact with precipitation and protect valuable components.

6.5 Release Response

The following sections discuss release response procedures and the response team that may take care of a release at an IAA branch.

6.5.1 Procedures

IAA personnel are trained to recognize potential release situations and how to respond appropriately in the event of a release. Emergency response kits are located at the IAA branches adjacent to areas with spill potential.

Release response procedures are similar for each material that may be stored at an IAA branch. If releases absorbed on the ground surface are observed during operations or routine inspections, the affected solids on the ground surface are removed by hand or mechanical equipment as soon as practical and disposed of properly. Materials and equipment used in the cleanup of this material may include absorbents, rags, shovels, backhoes, loaders, DOT-approved storage drums, etc.

Specific material handling procedures to reduce contaminated material from entering a storm water conveyance or drainage point include covering impacted solids with sheathing, use of absorbent material, and deployment of an absorbent boom at drainage outfall locations. A release to the ground surface may or may not require emergency response procedures, depending on the nature of the release. Release response and cleanup equipment are available at all IAA branches. Employees responding to a release have been instructed to implement containment by using collection equipment at the location of the release and, if possible, to prevent migration of the release off of the branch property by executing response measures.

Free product and/or impacted surface water shall be recovered to the extent practicable, as soon as possible after a detected release. This will increase the efficiency of the response actions and serve to minimize emulsified or dissolved phase material which could pass through the facility storm water system and off branch property.

If releases to surface water are observed during operations or routine inspections, the materials (liquids or solids) are recovered by hand or with mechanical equipment. Equipment used in the cleanup of releases to surface water may include skimmers, pumps, adsorbents, bailers, etc., as deemed necessary.

Pumping of liquids recovered from a release should include transfer into a secure temporary holding tank or drum as soon as possible. Absorbent material should be placed on the release locations and below identified sources of the release. The waste absorbent material should be disposed of properly. Impacted soil should be excavated and stored in appropriate containers or covered with polyethylene sheets.

Impacted material collected during the response must be removed promptly and disposed of in accordance with Federal, State and local requirements. A licensed emergency response contractor may be required to assist in cleanup of releases depending on the size and location of the release, weather and ground conditions, and the effectiveness of response actions implemented by IAA personnel. Appropriate regulatory agencies will be notified in the event of a reportable release.

Immediately following emergency response actions, the affected drainage path and associated possible collection points should be closely monitored to allow recovery of as much of the release material as possible. This includes identification and collection of released material that might be caught in stagnant zones and continues to present potential for migration after initial removal of accumulated material.

IAA maintains records at its corporate office of all significant material releases and response actions taken. These records are kept and periodically reviewed to reduce the chances of release reoccurrence, to assess potential improvements that could be made to response procedures, and to comply with applicable federal, state and local regulations.

6.5.2 Response Team

IAA response teams are trained in release identification and response procedures, release reporting procedures, and communications systems. The release response team for IAA branches includes the Branch Manager and those individuals identified by the Branch Manager to respond properly.

6.6 Vehicle Washing

Vehicle washing does not occur at all IAA branches. However, for some branches it is a part of normal operations. Vehicle washing has the potential to adversely affect the quality of storm water runoff. As wash water flows over vehicles and the ground, chemicals can be picked up including oil and grease, pesticides, metals, and other contaminants and can discharge to storm sewers. To minimize adverse impacts, the following practices are used:

- Catch basins are maintained and kept free of debris. If no catch basin exists, vehicles are washed over pervious surfaces such as lawns and gravel areas. Washing activities do not occur adjacent to or on storm drains or within the boundaries of storm water ditches, retention ponds, or other storm water conveyances.
- If possible, washing occurs without detergents. If a detergent is used, "non-toxic", "phosphate free", or "biodegradable" detergent will be chosen.
- Vehicle washing is kept to the exterior of the car.

6.7 Flood Vehicle Preparation

Flood vehicle servicing does not occur at all IAA branches. However, for some branches it is a part of normal operations. There are four levels of flood vehicle servicing, as described below:

1. Vacuum Water from Interior: Vacuumed water is containerized and properly disposed of.
2. Wash Vehicle Exterior and Engine: Vehicles are washed over pervious surfaces such as lawns and gravel areas. Wash water is prevented from entering the storm drain or any nearby streets. The amount of detergents and other cleaners is either eliminated (i.e. only water is used) or only those that are "non-toxic", "phosphate free", or "biodegradable" are chosen. Engines are washed in a contained area with no access to the sewer or storm drains. Waste water from engine washing is collected for future treatment and disposal.
3. Change Vehicle Fluids: Vehicle fluids are changed indoors and only over impervious surfaces where possible. If changing, adding, or draining vehicle fluids outside, all work is conducted within areas where spills can be contained and cleaned up immediately. Drip pans are utilized when changing fluids, when possible. Any releases are immediately cleaned up in accordance with the established spill response plan. Drained fluids are immediately transferred to a

designated waste storage area, making sure not to mix different types of waste materials together (e.g., combining used oil with used antifreeze.)

4. Shampoo and Full Detail Cleaning: Shampoo water that is collected in the wet/dry vacuum is containerized and disposed of properly.

6.8 Specialized Equipment Service and Maintenance

Specialized equipment is used to handle and move vehicles in a proper and orderly manner. The most commonly used specialized equipment at IAA branches is the forklift. Routine forklift maintenance is necessary to ensure long performance life of the machines, reduce expensive repair costs, and maintain a safe work environment. Typical maintenance of a forklift involves fluid checks and changes (such as engine oil or transmission fluid), tire changes, radiator flushing, battery replacement, and general inspection of hoses, belts, gauges, and other components. The following good housekeeping practices are implemented to ensure minimal environmental impacts occur at IAA branches resulting from servicing and maintaining forklifts or loaders:

- Indoor floor drains that are connected to the storm drain system are plugged prior to equipment maintenance.
- Drip pans and adequate spill prevention and cleanup materials are kept on-site and easily available for use.
- Drip pans containing oil or other automotive fluids are not left unattended, and the contents are disposed of properly in accordance with all applicable local, state, and federal regulations.
- Fluids are changed indoors and only over impervious surfaces where possible. If changing, adding, or draining vehicle fluids outside, all work is conducted within areas where spills can be contained and cleaned up immediately.
- Batteries are stored indoors on non-reactive, curbed, and impervious surfaces where no floor drain is present. If floor drains are present, batteries are stored upright in a plastic tub or other appropriate container to contain any leaked battery acid.
- Each used battery is labeled and dated.
- Used batteries are recycled by either returning them to the manufacturer for a trade-in with the purchase of new batteries, or by arranging for a registered waste transporter to pick them up for recycling. Used batteries are recycled prior to accumulating 40 batteries.

- Wastewater from parts cleaning, engine cleaning, undercarriage cleaning, radiator flushing, etc. is containerized and disposed of in accordance with all applicable local, state, and federal regulations.
- Specific areas are designated within the facility for engine, part, or radiator cleaning. Washing or rinsing parts outdoors only occurs when absolutely necessary. If washing or rinsing parts outside, work is conducted within areas where spills can be contained and cleaned up immediately.

7.0 Employee Training

Employee training is conducted to inform branch personnel of the BMPs used at IAA branches. The training covers practices for hazardous waste management and preventing releases and the procedures for responding properly and rapidly to releases. Local branch personnel are trained initially, prior to work assignments, and annually thereafter to ensure they are familiar with the elements and goals of the practices and procedures. Training records are updated and maintained on a regular basis.