
**VILLAGE OF EAST DUNDEE,
KANE AND COOK COUNTIES
STATE OF ILLINOIS**

ORDINANCE NUMBER 12-85

**AN ORDINANCE PROVIDING FOR THE ISSUANCE OF
NOT TO EXCEED \$7,000,000 OF
LIMITED OBLIGATION TAX INCREMENT REVENUE BONDS, SERIES 2012
(ROUTE 25 SOUTH REDEVELOPMENT PROJECT)
OF THE VILLAGE OF EAST DUNDEE,
KANE AND COOK COUNTIES, ILLINOIS,**

**ADOPTED BY THE
PRESIDENT AND BOARD OF TRUSTEES
VILLAGE OF EAST DUNDEE,
KANE AND COOK COUNTIES
STATE OF ILLINOIS**

The 5th day of November, 2012

Published in pamphlet form by authority of the President and Board of Trustees of the Village of East Dundee, Kane and Cook Counties, Illinois, this 5 day of November, 2012.

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NOT TO EXCEED \$7,000,000 OF
LIMITED OBLIGATION TAX INCREMENT REVENUE BONDS
(ROUTE 25 SOUTH REDEVELOPMENT PROJECT),
SERIES 2012, OF THE VILLAGE OF EAST DUNDEE,
KANE AND COOK COUNTIES, ILLINOIS**

WHEREAS, the Village of East Dundee, Kane and Cook Counties, Illinois (the "**Village**"), is a home rule municipality and body politic of the State of Illinois, duly created, organized and existing under the 1970 Constitution of the State of Illinois and Illinois Municipal Code (the "**Municipal Code**"), and having the powers, objects and purposes provided by said Code; and

WHEREAS, pursuant to the provisions of Sections 6(d) and 6(k) of Article VII of the Constitution of the State of Illinois (the "**Constitution**"), a home rule unit may incur debt payable from ad valorem property tax receipts maturing not more than 40 years from the time it is incurred and without referendum approval thereof; and

WHEREAS, on August 20, 2012, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as supplemented and amended (the "**TIF Act**"), the Village President and the Board of Trustees (the "**Corporate Authorities**") of the Village adopted Ordinance No. 12-64, being "An Ordinance Approving a Tax Increment Redevelopment Plan and Project for the Route 25 South Redevelopment Project Area," which approved a redevelopment plan and project (the "**Route 25 South Redevelopment Plan and Project**") for an area generally including the approximately 30 acres located on the east and west sides of Illinois Route 25 and containing 26 entire parcels and one partial parcel (the "**Route 25 South Redevelopment Project Area**") by the Village; and

WHEREAS, on September 18, 2006, pursuant to the TIF Act, the Corporate Authorities adopted Ordinance No. 06-40, being "An Ordinance Approving the Route 25 Redevelopment Plan and Project," which approved a redevelopment plan and project (the "**Route 25 Redevelopment Plan and Project**") for an area generally located along the eastern boundary of the Village, one to three parcels deep along the east and west sides of Route 25 and extending eastward one parcel deep along the north side of Route 72 (the "**Route 25 Redevelopment Project Area**"); and

WHEREAS, on October 2, 2000, pursuant to the TIF Act, the Corporate Authorities adopted Ordinance No. 00-22, being "An Ordinance Approving the Prairie Lakes Redevelopment Plan and Project," which approved a redevelopment plan and project (the "**Prairie Lake Redevelopment Plan and Project**") for an area generally including the area north and adjacent to the intersection of Illinois State Route 68 and Penny Road (the "**Prairie Lake Redevelopment Project Area**"); and

WHEREAS, on June 16, 2008, pursuant to the TIF Act, the Corporate Authorities adopted Ordinance No. 08-34, being "An Ordinance of the Village of East Dundee, Kane County, Illinois, Approving the Proposed Downtown Tax Increment Financing Redevelopment Plan and Project," which approved a redevelopment plan and project (the "**Downtown TIF**

Redevelopment Plan and Project") for an area generally including the downtown area of the Village (the "**Downtown TIF Redevelopment Project Area**"); and

WHEREAS, the Village has adopted the following Ordinances (i) Ordinance No. 12-65 adopted by the Corporate Authorities on August 20, 2012 with respect to the Route 25 South Redevelopment Project Area, (ii) Ordinance No. 06-41 adopted by the Corporate Authorities on September 18, 2006 with respect to the Route 25 Redevelopment Project Area, (iii) Ordinance No. 00-23 adopted by the Corporate Authorities on October 2, 2000 with respect to the Prairie Lakes Redevelopment Project Area, and (iv) Ordinance No. 08-35 adopted by the Corporate Authorities on June 18, 2008 with respect to the Downtown TIF Redevelopment Project Area, each, as certified by the Clerks of The Counties of Kane and Cook, Illinois (collectively, the "**Establishing Ordinances**").

WHEREAS, the Village has adopted the following Tax Increment Finance Ordinances (i) Ordinance No. 12-66 adopted by the Corporate Authorities on August 20, 2012 with respect to the Route 25 South Redevelopment Project Area Tax Increment Financing District, (ii) Ordinance No. 06-42 adopted by the Corporate Authorities on September 18, 2006 with respect to the Route 25 Redevelopment Project Area, (iii) Ordinance No. 00-24 adopted by the Corporate Authorities on October 2, 2000 with respect to the Prairie Lakes Redevelopment Project Area and (iv) Ordinance No. 08-36 adopted by the Corporate Authorities on June 18, 2008 with respect to the Downtown TIF Redevelopment Project Area (collectively, the "**Tax Increment Finance Ordinances**").

WHEREAS, the Route 25 South Redevelopment Plan and Project contemplates the Village will incur certain "redevelopment project costs", as defined in the TIF Act consisting of certain water and sewer improvements and certain rehabilitation expenses with respect to the existing approximately 23,000 square foot building (the "**Existing Building**") located on the real property owned by GAT Properties, LLC, an Illinois limited liability company (the "**Developer**") (collectively, the "**Costs of the Improvements**"), in connection with the designation of the Route 25 South Redevelopment Project Area and the implementation of the Route 25 South Redevelopment Plan and Project; and

WHEREAS, the Route 25 South Redevelopment Project Area, the Route 25 Redevelopment Project Area, the Prairie Lakes Redevelopment Project Area and the Downtown TIF Redevelopment Project Area are each "contiguous" to one or more of the aforementioned Redevelopment Project Areas within the meaning of the TIF Act; and

WHEREAS, under the authority of the TIF Act, the Corporate Authorities have determined that it is advisable, necessary and in the best interests of the Village to issue its Limited Obligation Tax Increment Revenue Bonds, Series 2012 (Route 25 South Redevelopment Project) (the "**Bonds**"), to provide for the payment of certain redevelopment project costs constituting improvements within the Route 25 South Redevelopment Project Area in an amount not to exceed \$7,000,000 and to fund necessary reserves and costs of issuance in connection with such Bonds; and

WHEREAS, the Village desires to pledge the Incremental Property Taxes (as defined below) to the payment of the Bonds as further described herein.

NOW, THEREFORE, Be It Ordained by the President and the Board of Trustees of the Village of East Dundee, Kane and Cook Counties, Illinois, as follows:

Section 1. Adoption of Preambles. The preambles of this Ordinance are hereby incorporated into this text as if fully set forth herein.

Section 2. Issuance of Bonds. The Village shall borrow the sum of not to exceed \$7,000,000 by issuing the Bonds as provided in this Ordinance. The Bonds which shall be designated "Village of East Dundee, Kane and Cook Counties, Illinois Limited Obligation Tax Increment Revenue Bonds, Series 2012 (Route 25 South Redevelopment Project)," shall be issued for the purpose of providing a portion of the funds needed for the Costs of the Improvements. The Bonds shall be issued pursuant to the powers of the Village pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the "**TIF Act**") and the Constitution.

Section 3. Approval of Documents. There have been submitted to the Corporate Authorities forms of the following documents relating to the issuance of the Bonds:

(a) a form of Trust Indenture (the "**Indenture**") between the Village and Amalgamated Bank of Chicago, as Trustee, to be dated as of November 1, 2012, which form of Indenture is attached as Exhibit A to this Ordinance;

(b) a form of Bond Purchase Agreement (the "**Bond Purchase Agreement**") between the Village and William Blair & Company, L.L.C., as Underwriter (the "**Underwriter**") to be dated as of the date the offer of the Underwriter to purchase the Bonds is accepted by the Village, which form of Bond Purchase Agreement is attached as Exhibit B to this Ordinance;

(c) a form of the preliminary Limited Offering Memorandum (the "**Limited Offering Memorandum**") used by the Underwriter in its initial offering of the Bonds, which form of Limited Offering Memorandum is attached as Exhibit C to this Ordinance.

(d) A form of the Continuing Disclosure Agreement (the "**Continuing Disclosure Agreement**") dated November 1, 2012 of the Village, with respect to the Bonds which form is attached as Exhibit D to this Ordinance.

(e) The form of the Construction Escrow Agreement by and among GAT Properties, LLC, the Village of East Dundee, Illinois and Greater Illinois Title Company.

Such documents are approved as to form and substance and the Village President and the Village Clerk are authorized and directed to execute and deliver and/or authorize the use of such documents on behalf of the Village in the forms submitted with such additions, deletions and completions of the same (including the establishment of the terms of the Bonds within the parameters set forth in this Ordinance) as the Village President and the Village Clerk deem appropriate; and when each such document is executed, attested, sealed and delivered on behalf of the Village, as provided herein, each such document will be binding on the Village; from and after the execution and delivery of each such document, the officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to

execute all such additional documents as may be necessary to carry out, comply with and perform the provisions of each such document as executed; and each such document shall constitute, and hereby is made, a part of this Ordinance, and a copy of each such document shall be placed in the official records of the Village, and shall be available for public inspection at the office of the Village Clerk. Either the Village President or the Village Clerk is authorized and directed, subject to the terms of the Bond Purchase Agreement as executed, to execute the final Limited Offering Memorandum in substantially the form of the preliminary Limited Offering Memorandum presented hereto with such changes, additions or deletions as they deem appropriate to reflect the final terms of the Bonds, the Indenture and other matters.

Section 4. Bond Terms. The Bonds shall be issued as provided in the Indenture and shall be issued in the principal amount of not to exceed \$7,000,000, shall be dated the date of their issuance, shall mature not later than 20 years from their date of issuance, shall bear interest at the rates (not to exceed in any year seven percent (7.0%) per annum) and shall be subject to redemption at the times and prices as set forth in the Indenture, and shall be sold to the Underwriter at a purchase price of not less than 98% of the principal amount of the Bonds exclusive of an original issue discount or original issue premium of not to exceed 2% of the principal amount of the Bonds, all as set forth in the Bond Purchase Agreement. The execution and delivery of the Bond Purchase Agreement by the Village President and the Village Clerk shall evidence their approval of the terms of the Bonds set forth above.

Section 5. Execution and Delivery of Bonds. The Village President and the Village Clerk are authorized and directed to execute and deliver the Bonds and, together with other Authorized Officers (as defined in the Indenture), to take all necessary action with respect to the issuance, sale and delivery of the Bonds, all in accordance with the terms and procedures specified in this Ordinance and the Indenture. The Bonds shall be delivered to the Trustee who is directed to authenticate the Bonds and deliver the Bonds to the Underwriter upon receipt of the purchase price for the Bonds.

The Bonds shall be in substantially the form set forth in the Indenture. Each Bond shall be executed by the manual or facsimile signature of the Village President and the manual or facsimile signature of the Village Clerk and shall have the corporate seal of the Village affixed to it (or a facsimile of that seal printed on it). The Village President and the Village Clerk (if they have not already done so) are authorized and directed to file with the Illinois Secretary of State their manual signatures certified by them pursuant to the Uniform Facsimile Signatures of Public Officials Act, as amended, which shall authorize the use of their facsimile signatures to execute the Bonds. Each Bond so executed shall be as effective as if manually executed. In case any officer of the Village whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before authentication and delivery of any of the Bonds, that signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

No Bond shall be valid for any purpose unless and until a certificate of authentication on that Bond substantially in the form set forth in the bond form in the Indenture shall have been duly executed by the Trustee. Execution of that certificate upon any Bond shall be conclusive evidence that the Bond has been authenticated and delivered under this Ordinance.

Section 6. Bonds are Limited Obligations; Pledge of Revenues. The Bonds shall constitute limited obligations of the Village, payable from a pledge of the Incremental Property Taxes received by the Village each year, as provided below and as set forth in the Indenture. The Bonds shall not constitute the general obligations of the Village and neither the full faith and credit nor the unlimited taxing power of the Village shall be pledged as security for payment of the Bonds.

"Incremental Property Taxes" means 100% of the ad valorem taxes less Priority Liens (as defined in the Indenture), if any, arising from the taxes levied upon taxable real property in the Redevelopment Project Areas by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Areas, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Areas over and above the total Initial Equalized Assessed Value of property located in the Redevelopment Project Areas, as determined by the County Clerks of the Counties of Kane and Cook, Illinois, in accordance with Section 11.74.4.9 of the TIF Act and as determined by the Treasurer of the Village. The Incremental Property Taxes shall be deposited to the Special Tax Allocation Fund created pursuant to the Indenture and are appropriated to and are irrevocably pledged to and shall be used as set forth in Article IV of the Indenture.

"Special Tax Allocation Fund" means the Special Tax Allocation Fund, which is a special tax allocation fund for the Route 25 South Redevelopment Project Area continued pursuant to Section 4.1 of the Indenture and held by the Village.

"Initial Equalized Assessed Value" means, with respect to each of the Redevelopment Project Areas, the "total initial equalized assessed value" (as defined in the Act) of the taxable real property within the Redevelopment Project Areas, each area was as a "redevelopment project area" under the Act by the Establishing Ordinances adopted by the Corporate Authorities, as certified by the Clerks of The Counties of Cook and Kane, Illinois, in accordance with Section 11-74.4-9 of the Act.

Section 7. Special Covenants. The Village covenants with the holders of the Bonds from time to time outstanding that it (i) will take all actions which are necessary to be taken (and avoid any actions which it is necessary to avoid being taken) so that interest on the Bonds will not be or become included in gross income for federal income tax purposes under existing law, including without limitation the Internal Revenue Code of 1986, as amended (the "**Code**"); (ii) will take all actions reasonably within its power to take which are necessary to be taken (and avoid taking any actions which are reasonably within its power to avoid taking and which are necessary to avoid) so that the interest on the Bonds will not be or become included in gross income for federal income tax purposes under the federal income tax laws as in effect from time to time; and (iii) will take no action or permit any action in the investment of the proceeds of the Bonds, amounts held under the Indenture or any other funds of the Village which would result in making interest on the Bonds subject to federal income taxes by reason of causing the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, or direct or permit any action inconsistent with the regulations under the Code as promulgated and as amended from time to time and as applicable to the Bonds. The Village President, the Village Clerk, the Village Treasurer and other Authorized Officers of the Village are authorized and directed to

take all such actions as are necessary in order to carry out the issuance and delivery of the Bonds including, without limitation, to make any representations and certifications they deem proper pertaining to the use of the proceeds of the Bonds and other moneys held under the Indenture in order to establish that the Bonds shall not constitute arbitrage bonds as so defined.

The Village further covenants with the holders of the Bonds from time to time outstanding that:

(a) it will take all actions, if any, which shall be necessary in order further to provide for the collection of the Incremental Property Taxes pledged by or pursuant to this Ordinance;

(b) it will not take any action which would adversely affect the imposition and collection of the Incremental Property Taxes;

(c) it will comply with all present and future laws concerning the imposition and collection of the Incremental Property Taxes; in each case so that the Village shall be able to pay the principal of and interest on the Bonds as they come due and replenish the Reserve Fund to the Reserve Requirement and it will take all actions necessary to assure the timely collection of the Incremental Property Taxes;

(d) it will deposit Incremental Property Taxes into the Special Tax Allocation Fund. The Village covenants and agrees with the Bondholders that so long as any Bonds remain outstanding, the Village will not take any action or fail to take any action which in any way would adversely affect the ability of the Village to allocate or collect such taxes. The Village and its officers will comply with the TIF Act and the Act and with all present and future applicable laws in order to assure that such taxes may be collected and deposited as provided herein and in the Indenture.

Section 8. Additional Authority. The Village President, the Village Clerk and the other officers of the Village are authorized to execute and deliver on behalf of the Village such other documents, agreements and certificates and to do such other things consistent with the terms of this Ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this Ordinance, including, without limitation, to make any representations and certifications they deem proper pertaining to the use of the proceeds of the Bonds in order to establish that the Bonds shall not constitute arbitrage bonds as defined in Section 7 above.

Section 9. Designating of Bonds as Qualified Tax Exempt Obligations. The Village represents that:

(i) The Bonds are not private activity bonds as defined in Section 141 of the Code;

(ii) The Village hereby designates the Bonds as qualified tax-exempt obligations for purposes of Section 265(b) of the Code;

(iii) The reasonably anticipated amount of qualified tax-exempt obligations (including 501(c)(3) obligations and tax-exempt leases but excluding other private activity bonds and

excluding bonds issued in 2012 that refunded qualified tax-exempt obligations which will be issued by the Village and all entities subordinate to the Village during calendar year 2012 does not exceed \$10,000,000; and

(iv) The Village has not designated more than \$10,000,000 of qualified tax-exempt obligations during calendar year 2012.

Therefore, the Bonds qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to tax-exempt obligations.

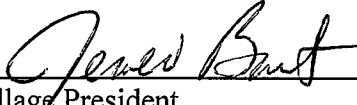
Section 10. Severability. If any section, paragraph, clause or provision of this Ordinance (including any section, paragraph, clause or provision of any exhibit to this Ordinance) shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other sections, paragraphs, clauses or provisions of this Ordinance (or of any of the exhibits to this Ordinance).

Section 11. Repealer; Effect of Ordinance. All ordinances, resolutions and orders or parts of ordinances, resolutions and orders in conflict with this Ordinance are repealed to the extent of such conflict. The Village Clerk shall cause this Ordinance to be published in pamphlet form. This Ordinance shall be effective upon its passage and publication as provided by law.

PASSED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF
EAST DUNDEE, KANE AND COOK COUNTIES, ILLINOIS this 5 day of November
2012.

VOTING AYE: Trustees Lynam, Miller, Skellicorn and Pres Bartels
VOTING NAY: -
ABSENT: Trustees Ruffalo, Gorman and VanOstenbidge
ABSTAINED: -
NOT VOTING: -

APPROVED:


Village President

ATTEST:


Village Clerk

Exhibit A

[Form of Trust Indenture]

Exhibit B

[Form of Bond Purchase Agreement]

Exhibit C

[Form of Limited Offering Memorandum]

Exhibit D

[Form of Continuing Disclosure Agreement]

**VILLAGE OF EAST DUNDEE,
KANE AND COOK COUNTIES, ILLINOIS**

AND

**AMALGAMATED BANK OF CHICAGO,
AS TRUSTEE,**

TRUST INDENTURE

DATED AS OF NOVEMBER 1, 2012

SECURING

\$6,675,000

**VILLAGE OF EAST DUNDEE, KANE AND COOK COUNTIES, ILLINOIS
LIMITED OBLIGATION TAX INCREMENT REVENUE BONDS
SERIES 2012 (ROUTE 25 SOUTH REDEVELOPMENT PROJECT)**

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THIS TRUST INDENTURE, dated as of November 1, 2012 (the "Indenture"), is by and between the VILLAGE OF EAST DUNDEE, KANE AND COOK COUNTIES, ILLINOIS, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois (the "Village"), and Amalgamated Bank of Chicago, a banking corporation duly organized, existing and authorized to accept and execute trusts of the character set out in this Indenture under and by virtue of the laws of the State of Illinois with its principal corporate trust office located in Chicago, Illinois, as trustee (said banking corporation, and any successor or successors as trustee under this Indenture, are referred to as the "Trustee"),

WITNESSETH:

WHEREAS, the Village is a municipal corporation and a home rule unit of local government organized and existing under the laws of the State of Illinois and located in Kane and Cook Counties, Illinois; and

WHEREAS, pursuant to an ordinance duly adopted by the President and Board of Trustees of the Village of East Dundee (the "Corporate Authorities") on November 5, 2012 (the "Bond Ordinance"), the Village authorized the issuance of its Limited Obligation Tax Increment Revenue Bonds Series 2012 (Route 25 South Redevelopment Project) (the "Bonds") in an aggregate principal amount of not to exceed \$7,000,000 for the purpose of paying a portion of the Costs of the Improvements (as hereinafter defined) pertaining to the Project (as hereinafter defined); and

WHEREAS, pursuant to the Bond Ordinance, the Village is authorized to enter into this Indenture and to do or cause to be done all the acts and things provided or required in this Indenture to be done; and

WHEREAS, all things necessary to make the Bonds, when executed by the Village, authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Village according to the import of the Bonds, and to constitute this Indenture a valid pledge of and grant of a lien on the Pledged Revenues (as hereinafter defined) to secure the payment of the principal of, premium, if any, and interest on the Bonds have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of the Bonds and this Indenture have in all respects been duly authorized;

GRANTING CLAUSES

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

That in order to secure the payment of the principal of, premium, if any, and interest on all Bonds issued and to be issued under this Indenture, according to the import of this Indenture, and the performance and observance of each and every covenant and condition in this Indenture and in the Bonds, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts created by this Indenture, and of the purchase and acceptance of the Bonds by the respective Owners (as defined below), and for other good and valuable consideration, the

sufficiency of which is acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds shall be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become their Owners, the Village pledges and grants a lien upon the following Trust Estate to the Trustee and its successors in trust and assigns, to the extent provided in this Indenture:

(a) The Pledged Revenues.

(b) All moneys and securities and earnings on them in all Funds and Accounts (except the Program Expenses Account, the Rebate Fund, and the General Account) established pursuant to this Indenture subject to the provisions of this Indenture.

(c) Any and all other moneys, securities and property furnished from time to time to the Trustee by the Village or on behalf of the Village or by any other persons to be held by the Trustee under the terms of this Indenture and specifically pledged for such purpose.

BUT IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Bonds issued and to be issued under and secured by this Indenture, without preference, priority or distinction as to participation in the lien, benefit and protection of this Indenture of any one Bond over any other Bond by reason of priority in their issue or negotiation or by reason of the date or dates of their maturity, or for any other reason whatsoever (except as expressly provided in this Indenture), so that each and all of such Bonds shall have the same right, lien and privilege under and shall be equally secured by this Indenture, with the same effect as if the same had all been made, issued and negotiated upon the delivery of this Indenture (all except as expressly provided in this Indenture).

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Village, or its successors, shall well and truly pay or cause to be paid or shall provide for the payment of all principal, premium, if any, and interest due or to become due on the Bonds, at the times and in the manner stipulated in the Bonds and in this Indenture, then this Indenture and the rights granted by it shall cease, terminate and be void, but shall otherwise be and remain in full force.

AND IT IS COVENANTED AND AGREED by and among the Village, the Trustee and the Owners from time to time of the Bonds, that the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become their Owners, and the trusts and conditions upon which the moneys and securities pledged by this Indenture are to be held and disposed of, which trusts and conditions the Trustee accepts, are as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. The terms defined in the preambles shall, for all purposes of this Indenture and of any amendment or supplement to it, have the meanings there ascribed to them, unless a different meaning clearly appears from the context. The following terms shall, for

all purposes of this Indenture and of any amendment or supplement to this Indenture, have the following meanings unless a different meaning clearly appears from the context:

"Account" means any of the accounts created pursuant to this Indenture.

"Act" means the Tax Increment Allocation Redevelopment Act of the State of Illinois, Division 74.4 of Article 11 of the Illinois Municipal Code, 65 ILCS 5/11-74.4-1 et seq., as amended and supplemented from time to time.

"Additional Bonds" means Bonds issued pursuant to Section 6.6 hereof.

"Annual Debt Service Requirement" means, with respect to any calendar year the aggregate of the interest and the principal, including sinking fund installments, owing on such Bonds for such calendar year.

"Annexation Agreement" means the Annexation Agreement dated June 30, 2012 between the Village and the Developer.

"Authorized Denominations" means, \$100,000 or any integral multiple of \$5,000 in excess of that amount.

"Authorized Officer" means the Village President, the Village Clerk or, the Village Administrator and any other officer or employee of the Village authorized to perform specific acts or duties under this Indenture by ordinance or resolution duly adopted by the Corporate Authorities.

"Bond" or "Bonds" means the Village of East Dundee Limited Obligation Tax Increment Revenue Bonds, Series 2012 (Route 25 South Redevelopment Project), any Refunding Bonds, authenticated and delivered under and pursuant to Section 2.1(b) of this Indenture and any Additional Bonds.

"Bondholder" means the registered owner of any Bond.

"Bond Ordinance" has the meaning set forth in the Preambles to this Indenture.

"Business Day" means any day which is not a Saturday, a Sunday, a legal holiday, or a day on which banks and trust companies in the city where the principal corporate trust office of any Fiduciary is located are authorized or required by law, regulation or executive order to remain closed (and such Fiduciary is in fact closed).

"Calendar Year" means the period January 1 through December 31 of the same year.

"Code" means the Internal Revenue Code of 1986, as amended.

"Code and Regulations" means the Code and the Income Tax Regulations.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement dated November 1, 2012 of the Village with respect to the Bonds.

"Consumer Price Index" means the Consumer Price Index for All Urban Consumers as published by the United States Department of Labor.

"Costs of the Improvements" means those redevelopment project costs as defined in the TIF Act consisting of the Improvements identified in Exhibit C hereto, and any other Improvements substituted for such improvements by Ordinance of the Village.

"Counsel's Opinion" means an opinion signed by an attorney or firm of attorneys of recognized standing in the area of law to which the opinion relates, who may be counsel to the Village.

"CPI Index Increase Amount" means the amount of \$10,000 multiplied by the percentage increase, if any, of the Consumer Price Index as of November 15 of the current calendar year as compared with the Consumer Price Index of the Date of Issuance.

"Date of Issuance" means _____, 2012, the date of original issuance and delivery of the Bonds.

"Debt Service Reserve Requirement" means [\$625,393], as such amount may be reduced as set forth in Section 4.6(c).

"Defeasance Obligations" means (i) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (ii) of this definition), or (ii) direct obligations of the United States of America (including obligations issued in book-entry form on the books of the Department of the Treasury) and obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

"Depository" means any bank, national banking association or trust company having capital stock, surplus and retained earnings aggregating at least \$1,000,000, selected by an Authorized Officer as a depository of moneys and securities held under the provisions of this Indenture, and may include the Trustee.

"Depository" or "DTC" means The Depository Trust Company, a New York limited trust company, its successor or a successor depository qualified to clear securities under applicable state and federal law.

"Developer" means GAT Properties, LLC, an Illinois limited liability company, formerly known as Our Secret LLC.

"Escrow Agent" means, with respect to any Bonds refunded after the date of execution and delivery of this Indenture, any trust company, bank or national banking association duly appointed to act in that capacity.

"Establishing Ordinances" means, collectively, (i) Ordinance No. 12-65 adopted by the Corporate Authorities on August 20, 2012 with respect to the Route 25 South Redevelopment Project Area, (ii) Ordinance No. 06-41 adopted by the Corporate Authorities on September 18, 2006 with respect to the Route 25 Redevelopment Project Area, (iii) Ordinance No. 00-23

adopted by the Corporate Authorities on October 2, 2000 with respect to the Prairie Lakes Redevelopment Project Area, and (iv) Ordinance No. 08-35 adopted by the Corporate Authorities on June 18, 2008 with respect to the Downtown TIF Redevelopment Project Area, each, as certified by the Clerks of The Counties of Kane and Cook, Illinois.

"Event of Default" means any event so designated and specified in Section 7.1.

"Fiduciary" or "Fiduciaries" means the Trustee, the Registrar, the Paying Agents, and any Depositary, or any or all of them, as may be appropriate.

"Fiscal Year" means the Fiscal Year of the Village which as of the Closing Date is the period commencing May 1 and ending on April 30 of the next succeeding year, or such other period as the Village adopts as its fiscal year for accounting purposes.

"Fund" means any of the Funds created pursuant to this Indenture.

"Government Obligations" means securities that are obligations described in clause (ii) of the definition of "Defeasance Obligations".

"Income Tax Regulations" means the regulations proposed or promulgated under the Internal Revenue Code of 1986, as amended, as such regulations may be in effect from time to time.

"Incremental Taxes" means 100% of the ad valorem taxes, if any, arising from the tax levies upon taxable real property in each of the Redevelopment Project Areas by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Areas, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in each of the Redevelopment Project Areas over and above the Initial Equalized Assessed Value of property located in the Redevelopment Project Areas, as determined by the County Clerk of the Counties of Kane and Cook, Illinois, in accordance with Section 11.74.4.9 of the TIF Act and as determined by the Treasurer of the Village.

"Indenture" means this Trust Indenture, dated as of November 1, 2012, between the Village and the Trustee, as from time to time amended and supplemented by Supplemental Indentures executed and delivered by the Village and the Trustee in accordance with Article IX.

"Independent" when used with respect to any specified Person means a Person who is in fact independent and is not connected with the Village as an officer, employee, underwriter, or Person performing a similar function. Whenever it is provided in this Indenture or any Supplemental Indenture that the opinion or report of any Independent Person shall be furnished, such Person shall be appointed by the Village, and such opinion or report shall be signed by such Person and shall state that the signer has read this definition and that the signer is Independent within its meaning.

"Initial Equalized Assessed Value" means, with respect to each of the Redevelopment Project Areas, the "total initial equalized assessed value" (as defined in the Act) of the taxable real property within each of the Redevelopment Project Areas, designated as a "redevelopment

project area" under the Act by the Establishing Ordinances, in accordance with Section 11-74.4-9 of the Act.

"Interest Payment Date" means December 1 and June 1 of each year, commencing June 1, 2013.

"Investment Securities" means any of the following securities authorized by law as permitted investments of Village funds at the time of their purchase:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America;

(b) trust receipts or other certificates of ownership evidencing an ownership interest in the principal of or interest on, or both principal of and interest on, obligations described in clause (a) of this definition, which obligations are held in trust by a bank described in clause (d) of this definition, provided that such bank holds such obligations separate and segregated from all other funds and accounts of the Village and of such bank and that a perfected first security interest under the Illinois Uniform Commercial Code as in effect from time to time, or under book entry procedures prescribed at 31 C.F.R. 306.0 et seq. or 31 C.F.R. 350.0 et seq. (or other similar book entry procedures similarly prescribed by federal law or regulations adopted after the date of adoption of this Ordinance), has been created in such obligations for the benefit of the applicable account or fund created under this Indenture or, to the extent permitted, in any irrevocable trust or escrow established to make provision for the payment and discharge of the indebtedness on any obligations that are payable from Pledged Revenues;

(c) obligations of Fannie Mae or of any agency or instrumentality of the United States of America now existing or hereafter created, including but not limited to the United States Postal Service, the Government National Mortgage Association, the Federal Financing Bank and the Federal Home Loan Mortgage Corporation;

(d) negotiable or non-negotiable time deposits evidenced (i) by certificates of deposit issued by any bank, trust company, national banking association or savings and loan association that has capital of not less than \$100,000,000 or (ii) by certificates of deposit that are continuously and fully insured by (A) any agency of the United States of America or (B) an insurer that at the time of issuance of the policy securing such deposits has been assigned a credit rating on its long-term unsecured debt within one of the two highest rating categories, without regard to any refinement or gradation of rating category by numerical modifier or otherwise, from at least two Rating Agencies;

(e) repurchase agreements with banks described in clause (d) of this definition or with government bond dealers reporting to, trading with, and recognized as primary dealers by a Federal Reserve Bank, provided (i) that the underlying securities are obligations described in clauses (a) or (c) of this definition and are required to be continuously maintained at a market value not less than the amount so invested, (ii) the Village has received an opinion of counsel to the effect that a custodian for the Village has possession of the underlying securities as collateral and has a perfected first security interest in the collateral, and (iii) the collateral is in the opinion of such counsel free and clear of claims by third parties;

(f) obligations of any state of the United States of America or any political subdivision of a state or any agency or instrumentality of a state or political subdivision that are, at the time of purchase, rated by at least two Rating Agencies in one of their two highest respective long-term rating categories, without regard to any refinement or gradation of rating category by numerical modifier or otherwise (if not rated by at least two Rating Agencies then a rating by one Rating Agency shall be satisfactory) for comparable types of debt obligations;

(g) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation that are, at the time of purchase, rated by at least two Rating Agencies in their highest long-term rating category, without regard to any refinement or gradation of rating category by numerical modifier or otherwise (if not rated by at least two Rating Agencies then a rating by one Rating Agency shall be satisfactory), for comparable types of debt obligations;

(h) repurchase agreements and investment agreements (including forward purchase agreements pursuant to which the Village agrees to purchase securities of the type described in clauses (a), (b), (c), and (f) of this definition of "Investment Securities"), with any bank, trust company, national banking association (which may include the Bond Registrar, any trustee or a Depositary), insurance company or any other financial institution that at the date of the agreement has an outstanding, unsecured, uninsured and unguaranteed debt issue rated by at least two Rating Agencies in one of the three highest long-term rating agency categories, without regard to any refinement or gradation of rating category by numerical modifier or otherwise, or if such institution is not so rated, that the agreement is secured by such securities as are described in clauses (a) through (d) above, inclusive, having a market value at all times (exclusive of accrued interest, other than accrued interest paid in connection with the purchase of such securities) at least equal to the principal amount invested pursuant to the agreement, provided that (i) a custodian for the Village (which custodian is not the entity with which the Village has the repurchase or investment agreement) has a perfected first security interest in the collateral and the Village has received an opinion of counsel to that effect, (ii) the custodian or an agent of the custodian (which agent is not the entity with which the Village has the repurchase or investment agreement) has possession of the collateral, and (iii) such obligations are in the opinion of such counsel free and clear of claims by third parties;

(i) prime commercial paper of a corporation incorporated under the laws of any state of the United States of America, rated by at least one Rating Agency in its highest short-term rating category, without regard to any refinement or gradation of rating category by numerical modifier or otherwise;

(j) certificates of deposit of national banks that are either fully collateralized at least 110 percent by marketable U.S. government securities marked to market at least monthly or secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois and having a claims-paying rating in the top rating category, without regard to any refinement or gradation of rating category by numerical modifier or otherwise, as rated by at least one Rating Agency and maintaining such rating during the term of such investment; and

(k) shares of a money market fund registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933.

"Made to Measure Redevelopment Agreement" means that certain redevelopment agreement dated January 30, 2012 by and among the Village, CBJB, LLC, an Illinois limited liability company, and Made to Measure, LLC, an Illinois limited liability company, related to the Downtown TIF Redevelopment Project Area.

"Outstanding," when used as of any date with reference to Bonds, means all Bonds previously or then being authenticated and delivered under this Indenture except:

(i) Any Bonds canceled by the Trustee at or prior to such date;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys and/or Defeasance Obligations, equal to their principal amount or Redemption Price, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under this Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date); provided, that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as in Article II provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article II; and

(iv) Bonds deemed to have been paid as provided in Section 11.1(b).

"Owner" means any Person who shall be the registered owner of any Bond or Bonds.

"Pal Land Development Agreement" means that certain development agreement dated April __, 2008, by and between the Village and Pal Land, LLC, a Delaware limited liability company, related to the Route 25 Redevelopment Project Area.

"Paying Agent" means any bank, national banking association or trust company designated by an Authorized Officer as paying agent for the Bonds, and any successor or successors appointed by an Authorized Officer under this Indenture.

"Payment Date" means any Interest Payment Date or Principal Payment Date.

"Person" means and includes an association, an unincorporated organization, a corporation, a partnership, a limited liability company, a joint venture, a business trust, a government or one of its agencies or political subdivisions, or any other public or private entity, or a natural person.

"Pledged Revenues" means the Incremental Taxes, subject to and reduced by amounts needed to satisfy the Priority Lien, received by the Village in each Calendar Year commencing in 2012 for taxes levied in Calendar Year 2011 and received by the Village in each Calendar Year commencing January 2013 and any other revenues from any source whatsoever designated to pay principal of, premium, if any, or interest on the Bonds, including, without limitation, amounts on deposit in and pledged to various funds and accounts (other than the Program

Expenses Account, the Rebate Fund, and the General Account) as provided in this Indenture, together with interest earnings on such moneys.

"Principal and Interest Account" means the Principal and Interest Account established in Section 4.2 of this Indenture.

"Principal Payment Date" means the date upon which the principal of any Bond is stated to mature or upon which the principal of any Term Bond is subject to redemption in satisfaction of a Sinking Fund Installment.

"Priority Lien" means the pledge of and lien on a portion of the Incremental Taxes pursuant to the Pal Land Development Agreement, the Made to Measure Redevelopment Agreement and the 7 Hills Redevelopment Agreement.

"Program Expenses" means, in any calendar year, all initial and ongoing administrative expenses related to or incurred in connection with the Bonds and (in the case of (v) below) the Redevelopment Project Areas, including, specifically, (i) the sum necessary to pay all costs and expenses of any Trustee, registrar or paying agent (ii) fees related to the calculation or verification of any required payment to the United States of America pursuant to Section 148(f) of the Code, (iii) auditing fees incurred in connection with the preparation of the financial statements required pursuant to this Indenture, (iv) annual rating agency fees, (v) fees related to compliance with the Continuing Disclosure Agreement, and (vi) to the extent not included in (iii) above, all fees and expenses incurred in preparing and compiling the information which Section 11-74.4-5(d) of the Act requires the Village to submit to the State Comptroller, the joint review board and the taxing districts overlapping the Redevelopment Project Areas; but (except as provided in (iii) and (v) above and other payments to third parties) excluding expenses of the Village relating specifically to the administration of the Project.

"Program Expenses Account" means the Program Expenses Account established in Section 4.2 of this Indenture.

"Project" means the redevelopment project approved by the Redevelopment Plan.

"Project Costs" means those costs of the Project included in the definition of "Redevelopment Project Costs" in the Act as in effect on the effective date of this Indenture and which constitute Costs of the Improvements; in no event, however, shall the removal of a cost from the definition of "Redevelopment Project Costs" from and after the effective date of this Indenture cause such cost not to be a "Project Cost" within the meaning of this Indenture.

"Project Fund" means the Project Fund established in Section 4.2 of this Indenture.

"Rating Agency" means any one of Moody's Investors Service Inc., Standard & Poor's, a Division of the McGraw-Hill Companies, or Fitch Ratings, Inc.

"Rebate Fund" means the Rebate Fund established in Section 4.2 of this Indenture.

"Redemption Price" means, with respect to any Bond, the principal of such Bonds plus the applicable redemption premium, if any, payable upon the date fixed for their redemption.

"Redevelopment Agreement" means that certain Redevelopment Agreement by and between the Village and the Developer dated October 29, 2012, as such agreement may be further amended from time to time.

"Redevelopment Plan" means the Tax Increment Finance Village of East Dundee Route 25 South Redevelopment Plan and Project for the Redevelopment Project Area dated as of August 16, 2012 that was approved by the Village pursuant to Ordinance No. 12-64.

"Redevelopment Project Areas" means collectively, the Route 25 South Redevelopment Project Area, the Route 25 Redevelopment Project Area, the Prairie Lakes Redevelopment Project Area, and the Downtown TIF Redevelopment Project Area that were each designated as a "redevelopment project area" under the Act by the respective Establishing Ordinances.

"Refunding Bonds" means all Bonds subsequently issued pursuant to this Indenture to refund Outstanding Bonds.

"Registrar" means any bank, national banking association or trust company appointed by an Authorized Officer under this Indenture and designated as registrar for the Bonds, and its successor or successors.

"Regular Record Date" means the 15th day of the month next preceding any regularly scheduled Interest Payment Date and, in the event of a payment occasioned by redemption on other than a regularly scheduled Interest Payment Date, means the 15th day next preceding such payment date.

"Reserve Fund" means the Reserve Fund created pursuant to Section 4.2 of this Indenture.

"Serial Bonds" means Bonds which are stated to mature in annual installments.

"7 Hills Redevelopment Agreement" means the redevelopment agreement dated July 21, 2011, by and between the Village and 7 Hills Healthcare Center, P.C., an Illinois corporation, related to the Downtown TIF Redevelopment Project Area.

"Sinking Fund Installment" means with respect to the Term Bonds, each principal amount of Bonds scheduled to be redeemed through sinking fund redemption provisions as set forth in Section 2.5 hereof by the application of amounts on deposit in the Principal and Interest Account.

"SLG's" means United States Treasury Certificates of Indebtedness, Notes and Bonds State and Local Government Series.

"Special Redemption Account" means the Special Redemption Account created pursuant to Section 4.2 of this Indenture.

"Special Tax Allocation Fund" means the Route 25 South Redevelopment Project Area Special Tax Allocation Fund of the Village, a special tax allocation fund for the Route 25 South Redevelopment Project Area established pursuant to Section 11-74.4-8 of the Act and originally

created by Ordinance No. 12-66 of the Village adopted on August 20, 2012, as continued and further described in this Indenture.

"Special Tax Allocation Funds of the Contiguous Redevelopment Project Areas" means the Route 25 Redevelopment Project Area Special Tax Allocation Fund, a special tax allocation fund for the Route 25 Redevelopment Project Area established pursuant to Section 11-74.4-8 of the Act and originally created by Ordinance No. 06-41 of the Village adopted on September 18, 2006, the Prairie Lakes Redevelopment Project Area Special Tax Allocation Fund, a special tax allocation fund for the Prairie Lakes Redevelopment Project Area established pursuant to Section 11-74.4-8 of the Act and originally created by Ordinance No. 00-23 of the Village adopted on October 2, 2000, and the Downtown TIF Redevelopment Project Area Special Tax Allocation Fund, a special tax allocation fund for the Downtown TIF Redevelopment Project Area established pursuant to Section 11-74.4-8 of the Act and originally created by Ordinance No. 08-35 of the Village adopted on June 18, 2008, that were each designated as a "redevelopment project area" under the Act by the respective Establishing Ordinances and are hereby continued.

"Supplemental Indenture" means any Supplemental Indenture of the Village authorized pursuant to Article IX.

"Term Bonds" means the Bonds other than Serial Bonds which shall be stated to mature on one or more dates through the payment of Sinking Fund Installments.

"TIF Consultant" means Kane McKenna Capital, Inc., or any other Consultant designated by the Issuer in a written notice to the Trustee.

"Trust Estate" means the Pledged Revenues and all other property pledged to the Trustee pursuant to this Indenture.

"Trustee" means Amalgamated Bank of Chicago, Chicago, Illinois, and any successor or successors appointed under this Indenture.

Section 1.2 Interpretation. As used in this Indenture, and unless the context otherwise indicates, the words "Bond," "Owner," and "Person" include the plural as well as the singular number.

Unless the context otherwise indicates, references to articles, sections, subsections, clauses, paragraphs and other subdivisions refer to the designated articles, sections, subsections, clauses, paragraphs and other subdivisions of this Indenture as originally executed.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.1 Authorization of Bonds.

(a) The Village shall not issue any Bonds while this Indenture is in effect except in accordance with the provisions of this Article II. All Bonds issued under this Indenture shall be designated "Limited Obligation Tax Increment Revenue Bonds Series 2012 (Route 25 South

Redevelopment Project)," except that any Refunding Bonds shall include such further appropriate designations as the Village may determine.

(b) Bonds issued to refund, whether at or in advance of maturity, Bonds issued under this Indenture, may be issued by the Corporate Authorities hereunder pursuant to a Supplemental Indenture and, upon such issuance, shall be "bonds" as defined hereunder.

Section 2.2 Indenture to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by the Owners from time to time of the Bonds, the provisions of this Indenture and any Supplemental Indenture shall constitute a contract among the Village, the Trustee and the Owners from time to time of the Bonds.

Section 2.3 Bond Details.

The Bonds shall be dated their Date of Issuance and delivery thereof, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$100,000 and integral multiples of \$5,000 thereof (but no single Bond shall represent principal maturing on more than one date), shall be numbered 1 and upward, and shall bear interest at the rates per annum and shall mature in the amounts (subject as hereinafter provided to prior redemption) as follows:

Maturing (December 1)	Principal <u>Amount</u>	Interest Rate <u>Per Annum</u>
2031	\$6,675,000	%

It is hereby expressly found and determined that no Bond matures on a date which is later than 20 years from their date, or which is later than 23 years following the date the Route 25 South Redevelopment Project Area was designated by ordinance of the Corporate Authorities.

The Bonds shall bear interest from their date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semiannually on June 1 and December 1, commencing on June 1, 2013. So long as the Bonds are held in book-entry form as hereinafter more specifically set forth, interest on each Bond shall be paid to the Depository by check or draft or electronic funds transfer as may be agreed to by the Village and the Depository; in the event the Bonds should ever become available in physical form to registered owners other than the Depository, interest on each Bond shall be paid by check or draft of the Trustee to the person in whose name such Bond is registered at the close of business on the Regular Record Date. Principal of and premium (if any) on each Bond shall be paid in lawful money of the United States of America, at the principal corporate trust office of the Trustee. If a Payment Date is not a business day, then the payment shall be made on the next business day, and no interest shall accrue for the intervening period.

The Bonds shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village and shall be signed by the manual or duly authorized facsimile signatures of the Village President and Village Clerk of the Village, as they shall determine, and in case any

officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Trustee as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Trustee by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.4 Book-Entry Provisions. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register therefor in the name of CEDE & Co., or any successor thereto, as nominee of the Depository. All of the outstanding Bonds from time to time shall be registered in the Bond Register in the name of CEDE & Co., as nominee of the Depository. The Village Treasurer or Finance Director is hereby authorized to execute and deliver on behalf of the Village a Representation Letter. Without limiting the generality of the authority given to the Village Treasurer or Finance Director with respect to entering into such Representation Letter, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interest therein, (c) redemption notices or procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices.

With respect to Bonds registered in the Bond Register in the name of CEDE & Co., as nominee of the Depository and except as otherwise herein provided, the Village and the Trustee shall have no responsibility or obligation to any broker-dealer, bank or other financial institutions for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the Village and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, CEDE & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, or any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. Notwithstanding the foregoing, the Village and the Trustee shall have those obligations and responsibilities set forth in this Ordinance with respect to Beneficial Owners who have provided notice of their beneficial ownership to the Village and the Trustee as set forth in the definition of Beneficial Owner.

No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. Upon delivery by the Depository to the Trustee of written notice to the effect that the Depository has determined to substitute a new nominee in place of CEDE & Co., and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month next preceding the applicable interest payment date, the name "CEDE & Co." in this Ordinance shall refer to such new nominee of the Depository.

In the event that (a) the Village determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the Village, the Trustee and the Depository evidenced by the Representation Letter shall be terminated for any reason, or (c) the Village determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Village shall notify the Depository and the Depository Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of CEDE & Co., as nominee of the Depository. The Village may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a book-entry system, as may be acceptable to the Village, or such depository's agent or designee, and if the Village does not select such alternate book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of CEDE & Co., as nominee of the Depository, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

In the event that the Bonds ever become generally registrable, as aforesaid, the Village Treasurer or Finance Director may, in his or her discretion at such time, designate a bank with trust powers or trust company, duly authorized to do business as a bond registrar, paying agent, or both, to act in one or both such capacities hereunder, in the event that the Village Treasurer or Finance Director shall determine it to be advisable. Notice shall be given to the registered owners of any such designation in the same manner, as near as may be practicable, as for a notice of redemption of Bonds, and as if the date of such successor taking up its duties were the redemption date.

Section 2.5 Redemption.

(a) Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption by operation of the Principal and Interest Account at a redemption price of 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date on December 1 of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
2013	\$190,000
2014	195,000
2015	265,000

<u>Year</u>	<u>Amount</u>
2016	295,000
2017	330,000
2018	365,000
2019	400,000
2020	440,000
2021	505,000
2022	560,000
2023	615,000
2024	660,000
2025	175,000
2026	200,000
2027	220,000
2028	340,000
2029	380,000
2030	425,000
2031*	100,000

* Maturity Date

The Village covenants that it will redeem Bonds pursuant to the mandatory sinking fund redemption requirements for such Bonds to the extent amounts are on deposit in the Principal and Interest Account. Proper provision for mandatory redemption having been made, the Village covenants that the Bonds so selected for redemption shall be payable upon redemption and at maturity as set forth above.

(b) Optional Redemption. The Bonds are also subject to redemption at the option of the Village, in whole or in part, from any available moneys, on December 1, 2021, and any date thereafter, and, if in part by lot as determined by the Trustee, at a redemption price equal to 100% of the principal amount of Bonds called for redemption, without premium, together with accrued interest, if any, to the redemption date.

If the Village redeems Bonds pursuant to the optional redemption provisions set forth in this Section 2.5(b) or purchases Bonds as permitted by Section 2.6 of this Indenture and cancels the same, then an amount equal to the principal amount of Bonds so redeemed or purchased shall be deducted from the mandatory sinking fund redemption requirement as provided for the Bonds in any order of years of such requirement as then remaining as the Village shall determine. The Village shall provide the Trustee with written notice of such reduction, which notice shall be given within 30 days after such redemption or purchase, and the Trustee shall promptly give written notice of the same to the Bondholders, in the manner hereinafter provided.

(c) Extraordinary Mandatory Redemption From Surplus Bond Proceeds; Condemnation Proceeds.

(i) The Bonds are also subject to extraordinary mandatory redemption, on any date, at the direction of the Village, in whole or in part, from available moneys transferred to the Special Redemption Account from the Project Fund pursuant to Section

4.7(d) and the Reserve Fund pursuant to Section 4.6(c), and if in part by lot, at a redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, but only in the event that moneys in the Project Fund have not been expended to pay or reimburse the Village for the payment of, eligible Project Costs for the Project by November __, 2015.

(ii) The Bonds are also subject to extraordinary mandatory redemption, on any date, at a redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, at the direction of the Village, in whole or in part, from available moneys deposited to the Special Redemption Account from the proceeds of any condemnation by any governmental entity of the improvements funded with the proceeds of the Bonds.

Any such extraordinary mandatory redemption of the Bonds as described in Section 2.5(c)(i) and (ii) above shall be applied, to the extent possible, to reduce pro rata the amount of the Bonds required to be redeemed by mandatory sinking fund redemption pursuant to Section 2.5(a) hereof to the nearest Authorized Denominations and so as to maintain the proportion of principal maturing in each year to the total original principal amount of the Bonds and if such prepayment amount is insufficient to apply pro rata, then in such order and among maturities or sinking fund installments as directed by the Village.

(d) Notice of Redemption. The Village shall, at least 35 days prior to the redemption date (unless a shorter time shall be satisfactory to the Trustee), notify the Trustee of such redemption date and of the principal amount of Bonds to be redeemed at the Village's option pursuant to Section 2.5(b) or 2.5(c) of this Indenture. In the event that less than all of the Bonds are called for redemption as aforesaid, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than 30 days prior to the redemption date by the Trustee for the Bonds by such method of lottery as the Trustee shall deem fair and appropriate; provided that in the event of a redemption of less than all of the Bonds, the aggregate principal amount thereof to be redeemed shall be an integral multiple of \$5,000. Such lottery shall further provide for the selection for redemption of Bonds or portions thereof so that any Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such Bond or \$5,000 portion.

The Trustee shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Unless waived by the owner of Bonds to be redeemed, notice of any such redemption shall be given by the Trustee on behalf of the Village by mailing the redemption notice by registered or certified mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owners to the Trustee.

All notices of redemption shall include at least the information as follows:

- (i) the redemption date;

- (ii) the redemption price, including a calculation of the redemption premium;
- (iii) if less than all of the Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (iv) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and
- (v) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Trustee.

Such additional notice as may be agreed upon with the Depository shall also be given so long as the Bonds are held by the Depository.

Prior to any redemption date, the Village shall deposit with the Trustee an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Neither the failure to mail such redemption notice nor any defect in any notice so mailed to any particular registered owner of a Bond shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or the redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal, and premium, if any, shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee and shall not be reissued.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 2.6 Purchase in Lieu of Redemption. In lieu of redeeming Bonds pursuant to optional or mandatory sinking fund redemption, the Trustee shall, at the written direction of the Village, purchase Bonds in the open market at a price not exceeding the redemption price, if any, then applicable to such Bonds. Any Bonds so purchased in lieu of redemption shall be delivered to the Trustee for cancellation.

Section 2.7 Registration of Bonds; Persons Treated as Owners. The Village shall cause the Bond Register to be kept at the principal corporate trust office of the Trustee, which is hereby constituted and appointed the Registrar of the Village. The Village is authorized to prepare, and the Trustee shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by, the registered owner or his attorney duly authorized in writing, the Village shall execute and the Trustee shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Subject to the provisions of this Indenture relating to the Bonds as book-entry obligations only, should the Bonds no longer be held in such book-entry form, any fully registered Bond or Bonds may be exchanged at said principal corporate trust office of the Trustee for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations.

The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond and the Trustee shall thereby be authorized to authenticate, date and deliver such Bond; provided, however, that the principal amount of outstanding Bonds authenticated by the Trustee shall not exceed the authorized principal amount of Bonds less the amount of such Bonds which have been paid.

Subject to the provisions of this Indenture relating to the Bonds as book-entry obligations only, should the Bonds no longer be held in such book-entry form, the Trustee shall not be required to transfer or exchange any Bond during the period of fifteen (15) days next preceding any Interest Payment Date on such Bond, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of, premium (if any) or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his other legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds exchanged in the case of the issuance of a Bond or Bonds for the outstanding portion of a Bond surrendered for redemption.

Section 2.8 Form of Bond. The Bonds shall be in substantially the form set forth in Exhibit A hereto, with such appropriate variations, omissions and insertions as are permitted or as are required by this Indenture; and further provided that typewritten, temporary Bonds may be delivered pending the preparation of definitive Bonds should the Bonds ever become available in physical form to registered owners other than the Depository.

Section 2.9 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate a new Bond of like date, interest rate, maturity and denomination to that mutilated, lost, stolen or destroyed Bond, provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with an indemnity for the benefit of the Issuer and the Trustee, satisfactory to the Trustee. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the Issuer may pay the same without surrender thereof making such requirements as it deems fit for its protection including a lost instrument bond. The Trustee may charge the owner of such Bond with its reasonable fees and expenses in this connection.

ARTICLE III

PLEDGE OF PLEDGED REVENUES

Section 3.1 The Pledge Effected by this Indenture.

(a) There are pledged for the payment of the principal and Redemption Price of, and interest on, the Bonds in accordance with their terms and the provisions of this Indenture, and a lien is granted for such purpose, subject only to the provisions of this Indenture permitting or requiring their application for the purposes and on the terms and conditions set forth in this Indenture, (i) the Pledged Revenues; (ii) amounts on deposit in all Funds, Accounts (except for the Program Expenses Account, the Rebate Account and the General Account); and (iii) any and all other moneys, securities and property furnished from time to time to the Trustee by the Village or on behalf of the Village or by any other Persons to be held by the Trustee under the terms of this Indenture. This pledge is irrevocable until the obligations of the Village are discharged under this Indenture.

(b) The Pledged Revenues and the other moneys, securities and properties pledged by this Indenture shall immediately be subject to the lien and pledge of this Indenture without any physical delivery or further act, and the lien and pledge of this Indenture shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Village, irrespective of whether such parties have notice of such lien and pledge.

Section 3.2 Limited Obligations. The Bonds do not represent or constitute a debt of the Village or the State of Illinois within the meaning of any constitutional or any statutory limitation or a pledge of the faith and credit of the Village or the State of Illinois or grant to the Owners any right to compel the Village to levy any taxes or appropriate any funds for the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds are payable

solely from the Pledged Revenues and other sources pledged for their payment in accordance with this Indenture.

ARTICLE IV

ESTABLISHMENT OF FUNDS AND THEIR APPLICATION

Section 4.1 Continuation of Special Tax Allocation Fund. In accordance with the provisions of the Act, the Incremental Taxes are to be paid to the Village Treasurer by the officers who collect or receive the Incremental Taxes and deposited to the Special Tax Allocation Fund and the respective Special Tax Allocation Funds of the Contiguous Redevelopment Project Areas. The Special Tax Allocation Fund previously created by the Village is expressly continued as a special fund of the Village, to be held by the Village subject to the provisions of this Indenture, separate and apart from all other funds and accounts of the Village, and shall continue to be known as the Route 25 South Redevelopment Project Area Special Tax Allocation Fund. There is hereby created and established by the Village a separate segregated account within the Special Tax Allocation Fund to be known as the "Incremental Taxes Account". All of the Incremental Taxes collected on and after the date of issuance of the Bonds shall be set aside as collected and be promptly deposited by the Treasurer in the Incremental Taxes Account of the Special Tax Allocation Fund and the respective "Incremental Taxes Account" of the Special Tax Allocation Funds of the Contiguous Redevelopment Project Areas. On or prior to November 15 of each year the Village Treasurer shall determine the amount of the Incremental Taxes received by the Village for such year and shall transfer the lesser of (i) the sum of Annual Debt Service Requirements for the following calendar year and Program Expenses, or (ii) Incremental Taxes received for deposit to the Revenue Fund to be applied as set forth in Section 4.6 of this Indenture. The Village has the discretion to choose and transfer Incremental Taxes from any or all of the Redevelopment Project Areas as determined by the Village Administrator without further Village action. The Incremental Taxes Account is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this Indenture and the Bond Ordinance and any indenture or ordinance supplemental to this Indenture authorizing the issuance of Refunding Bonds.

Section 4.2 Creation of Funds and Accounts. The following funds of the Village are hereby created and established or continued with the Trustee:

- (a) Revenue Fund.
- (b) Bond Fund, which shall contain a Capitalized Interest Account, a Principal and Interest Account, a Special Redemption Account and a Program Expenses Account.
- (c) Project Fund.
- (d) Reserve Fund.
- (e) Rebate Fund.

Each Fund shall be maintained by the Trustee as a separate and distinct trust fund and moneys therein shall be held, managed, invested, disbursed and administered as provided in this

Indenture. All moneys deposited in the Funds shall be used solely for the purposes set forth in this Indenture. The Trustee shall keep and maintain adequate records pertaining to each Fund and all disbursements therefrom.

Section 4.3 Application of Proceeds. The proceeds derived from the sale of the Bonds (which is net of Underwriter's Discount in the amount of \$_____), plus accrued interest, if any, shall be applied by the Trustee on the Date of Issuance as follows:

- (i) \$_____ shall be deposited into the Project Fund;
- (ii) \$_____ shall be deposited into the Reserve Fund;
- (iii) \$_____ shall be applied by the Trustee to pay costs of issuance of the Bonds at the direction of the Village, and
- (iv) \$_____ shall be deposited in the Capitalized Interest Account of the Bond Fund to pay interest on the Bonds through June 1, 2013.

Section 4.4 Reserved.

Section 4.5 Reserved.

Section 4.6 Revenue Fund; Application of Pledged Revenues. Moneys which are deposited by the Village with the Trustee into the Revenue Fund shall be transferred by the Trustee on or before December 1 of each year first from all available moneys in the Revenue Fund until such amounts are depleted, to be applied as follows in the order of priority set forth below:

(a) Program Expenses Account. The Trustee shall credit to and shall deposit into the Program Expenses Account an amount of Pledged Revenues sufficient to pay Program Expenses, if any, for the next succeeding calendar year in an amount not to exceed the amount of \$10,000 increased by the CPI Index Increase Amount. The Village shall, no later than the Closing Date and no later than November 1 of each year, commencing November 1, 2013, provide to the Trustee information, calculations or estimates of Program Expenses for the next succeeding calendar year, and the Trustee may reasonably rely upon such information, calculations or estimates of such Program Expenses as necessary to determine the proper amount of such deposit into the Program Expenses Account. Amounts on deposit in the Program Expenses Account are not pledged to payment of the Bonds.

(b) Principal and Interest Account; Capitalized Interest Account. The Trustee shall next transfer the Pledged Revenues into the Principal and Interest Account in an amount sufficient to pay the principal of and interest on all Outstanding Bonds coming due during the next succeeding calendar year, which amount shall be set aside in the Principal and Interest Account for such purpose. Except as provided below, such moneys shall be used solely and only for the purpose of paying principal of, redemption premium, if any, and interest on the Bonds, as the same become due whether at maturity or upon mandatory redemption. Any capitalized interest received upon the sale of the Bonds shall be deposited to and held in the Capitalized Interest Account and shall be used to pay interest coming due on the Bonds, prior to applying

any other moneys for that purpose and any interest earnings shall be applied as set forth in Section 5.3(c) hereof.

(c) Reserve Fund. The Trustee shall next transfer the Pledged Revenues into the Reserve Fund until such account aggregates the Debt Service Reserve Requirement for the Bonds, and thereafter no such payments shall be made into that Reserve Fund, except that when any money is paid out of that Reserve Fund payments shall be resumed and continued until that Reserve Fund has been restored to an aggregate amount equal to the Debt Service Reserve Requirement. The Trustee shall value the investments in the Reserve Fund, if any, on or before December 1 and June 1 of each year, commencing December 1, 2012 and shall transfer any amount in excess of the Debt Service Reserve Requirement to the Principal and Interest Account. In determining the value of the investments in the Reserve Fund such investments shall be valued at their fair market value or as otherwise provided in this Indenture. On the final maturity date of the Bonds, all amounts on deposit in the Reserve Fund shall be used and applied by the Trustee to pay principal of and interest on the Bonds. The Trustee shall transfer funds from the Reserve Fund to the Principal and Interest Account, without further direction, whenever there are insufficient funds in the Principal and Interest Account to currently pay debt service on the Bonds. Whenever a transfer is made from the Reserve Fund to the Principal and Interest Account due to a shortage to pay debt service when due, the Trustee shall promptly give written notice of such transfer to the Village and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA").

Upon any extraordinary mandatory redemption of the Bonds pursuant to Section 2.5(c)(i) hereof, the Debt Service Reserve Requirement shall be reduced by an amount equal to 10% of the principal amount of the Bonds to be redeemed and such amount shall be transferred to the Special Redemption Account to be applied to effect a mandatory redemption of the Bonds in accordance with Section 2.5(c)(i).

(d) Rebate Fund. The Trustee shall next transfer the Pledged Revenues into the Rebate Fund to the extent the Village has determined necessary to ensure that there are on deposit in the Rebate Fund sufficient moneys to make, at the required times, all rebate payments to the United States of America required to be made by Section 148 of the Code and applicable provisions of the Income Tax Regulations owed with respect to the Bonds. The Village shall provide to the Trustee information, calculations or estimates of amounts to be deposited in the Rebate Fund for the next succeeding calendar year. The Trustee may reasonably rely upon such information, calculations or estimates to determine the proper amount to be deposited into the Rebate Fund and shall not be required to make transfers of the Pledged Revenues into the Rebate Fund under this subsection if it has not been provided with such information, calculations and estimates. The Trustee shall make any necessary rebate payments to the United States of America that are required by the Code and Regulations from moneys on deposit in the Rebate Fund at the written direction of the Village or a rebate analyst appointed by the Village. Amounts on deposit in the Rebate Fund are not pledged to payment of the Bonds.

(e) Special Redemption Account. There will be deposited to the "Special Redemption Account" contained within the Bond Fund under the Indenture: (i) any surplus Bond proceeds transferred from the Project Fund, and (ii) any condemnation proceeds received by the

Village in the event of a condemnation of the improvements financed with proceeds of the Bonds. Such amounts will be used to redeem Bonds pursuant to Section 2.5(c) of this Indenture.

(f) General Account. The Trustee shall next transfer the balance of any Incremental Taxes on deposit in the Incremental Taxes Account of the Revenue Fund to the Treasurer to be credited to the General Account of the Special Tax Allocation Fund or the Special Tax Allocation Funds of the Contiguous Redevelopment Project Areas held by the Village allocated pursuant to the direction of the Village Administrator. Moneys on deposit in the General Account shall be used for any one or more of the following purposes as directed by the Authorized Officer, and (unless, and to the extent, otherwise provided in any Supplemental Indenture) without any priority among them:

(i) for the purpose of paying any Costs of the Improvements or to pay any additional Program Expenses; or

(ii) for the purpose of paying principal of or interest on or redeeming Bonds; or

(iii) for the purpose of purchasing Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or

(iv) for the purpose of paying principal of or interest on any indebtedness of the Village issued pursuant to a separate indenture or as a developer note which is subordinate to the Bonds; or

(v) for the purpose of redeeming any indebtedness of the Village issued pursuant to a separate indenture or as a developer note which is subordinate to the Bonds; or

(vi) for the purpose of purchasing indebtedness of the Village issued pursuant to a separate indenture or as a developer note which is subordinate to the Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or

(vii) for the purpose of distribution of such funds to the taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area in accordance with the Act.

Except as may be otherwise provided in a Supplemental Indenture, moneys on deposit in the General Account are not pledged to the payment of the Bonds and are not Pledged Revenues.

Section 4.7 Project Fund.

(a) The Project Fund is established, and shall be held as a separate, segregated fund held by the Trustee. There shall be paid into the Project Fund the amounts required to be so paid by the provisions of this Indenture, and there may be paid into the Project Fund, at the option of the Village, any moneys determined to be so applied by the Village.

(b) Amounts on deposit in the Project Fund held by the Trustee shall be applied upon receipt of a written requisition in the form attached to this Indenture as Exhibit B executed by an

Village Administrator to pay the Costs of the Improvements. The Village shall maintain records identifying the Costs of the Improvements paid from amounts on deposit in the Project Fund and the amount of each disbursement therefrom. The Trustee shall maintain copies of the written requisition.

(c) Moneys in the Project Fund shall be invested at the direction of an Authorized Officer to the fullest extent practicable in Investment Securities maturing in such amounts and at such times as may be necessary to provide funds when needed to pay Costs of the Improvements. The Trustee may, and to the extent required for payments from the Project Fund shall, sell any such Investment Securities at any time, and the proceeds of such sale, and of all payments at maturity and upon redemption of such investments, shall be held in the Project Fund.

(d) The completion of the Project to be paid for from the Project Fund shall be evidenced by a certificate of an Authorized Officer, which certificate shall be filed promptly with the Trustee, stating the date of such completion and the amount, if any, required in the opinion of the signer of such certificate for the payment of any remaining part of the Cost of the Improvements. Upon the filing of such certificate evidencing the completion of the Project to be paid from amounts on deposit in the Project Fund, the balance in said Fund in excess of the amount, if any, stated in such certificate of the Village shall be applied by the Trustee in the following order of priority: (1) to the Reserve Fund, to the extent necessary to cause the amount on deposit in the Reserve Fund to equal the applicable Debt Service Reserve Requirement; and (2) to the Special Redemption Account to be used to redeem Bonds pursuant to Section 2.5(c) hereof. To the extent any money remains on deposit in the Project Fund on or after [November 30], 2015, the Trustee shall transfer such amount to the Special Redemption Account to redeem Bonds pursuant to Section 2.5(c) hereof in Authorized Denominations or, in the event the amount so transferred or the amount remaining after any redemption is less than an Authorized Denomination, to pay the next scheduled principal and interest due on the Bonds, unless the Village shall deliver to the Trustee a schedule setting forth additional municipal improvements to be financed with such proceeds and a Counsel's Opinion to the effect that the retention of such payments in the Project Fund will not adversely affect the tax exempt status of interest on the Bonds for federal income tax purposes.

ARTICLE V

DEPOSITARIES, SECURITY FOR DEPOSITS AND INVESTMENTS OF FUNDS

Section 5.1 Depositaries; Moneys to be Held in Trust. All moneys held by the Village under this Indenture may be deposited in one or more Depositaries (selected by an Authorized Officer) in the name of the Village. All moneys deposited under the provisions of this Indenture with the Trustee, the Village or any Depositary shall be held in trust and applied only in accordance with the provisions of this Indenture, and each of the Funds and Accounts established by this Indenture shall be a trust fund.

Section 5.2 Deposits.

(a) All moneys held by any Depositary under this Indenture may be placed on demand or time deposit, as directed by an Authorized Officer; provided, that such deposits shall permit the moneys so held to be available for use when needed. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit as if it were not a Fiduciary. All moneys held by a Fiduciary may be deposited in its commercial banking department on demand or, if and to the extent directed by an Authorized Officer, on time deposit; provided, that such moneys on deposit be available for use when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size.

(b) All moneys held for the Village under this Indenture shall be continuously and fully secured for the benefit of the Village and the Owners of the Bonds in the same manner as provided by the Village for similar funds of the Village.

(c) All moneys deposited with the Trustee and each Depositary shall be credited to the particular Fund or Account to which such moneys belong.

Section 5.3 Investment of Certain Moneys.

(a) Moneys held in any Fund or Account by the Village, the Trustee or a Depositary shall be invested and reinvested at the written direction of an Authorized Officer in Investment Securities that mature no later than necessary to provide moneys when needed for payments to be made from such Fund or Account.

(b) Moneys held in two or more Funds or Accounts may be jointly invested in one or more Investment Securities, if such investment complies with all the terms and conditions of this Indenture relating to the investment of moneys in such Funds or Accounts, as the case may be, and the Village maintains books and records as to the allocation of such investment as among such Funds or Accounts.

(c) Any earnings on investments held in the Reserve Fund shall be credited to and held in the Reserve Fund so long as the balance is less than the Debt Fund Service Reserve Requirement and next shall be transferred to the Principal and Interest Account, as set forth in Section 4.6. Any earnings on investments held in the Capitalized Interest Account shall be credited to the Project Fund. Investment income from investments held in the various Funds and Accounts shall remain in and be a part of the respective Funds and Accounts in which such investments are held, except as otherwise provided in this Indenture.

(d) Notwithstanding any other provisions of this Indenture to the contrary, the Village covenants that all investments made under this Indenture shall be consistent with the expectations expressed in any arbitrage certificate or tax compliance agreement executed on behalf of the Village and filed with the Trustee with respect to the Bonds and shall be certified by an Authorized Officer as qualifying as a permitted investment of the Village.

Section 5.4 Valuation and Sale of Investments.

(a) Investment Securities in any Fund or Account created under the provisions of this Indenture shall be deemed at all times to be part of such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account and any loss resulting from liquidation of such investment shall be charged to such Fund or Account.

(b) Valuations of Investment Securities held in the Funds or Accounts established under this Indenture shall be made by the Trustee as required under this Indenture. In computing the amounts in such Funds or Accounts, Investment Securities shall be valued as provided in paragraph (c) of this Section 5.4.

(c) The value of Investment Securities shall be their fair market value; provided, that all SLG's shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable.

(d) Except as otherwise provided in this Indenture, the Trustee shall sell at fair market value, or present for redemption, any Investment Security held in any Fund or Account held by the Trustee whenever it shall be necessary to provide moneys to meet any payment or transfer from such Fund or Account, as the case may be. The Trustee shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from any such investment.

ARTICLE VI

PARTICULAR COVENANTS AND REPRESENTATIONS OF THE VILLAGE

Section 6.1 Payment of Bonds. The Village covenants and agrees that it will pay or cause payment to be made, solely from Pledged Revenues, the principal at maturity and Redemption Price, if any, of every Outstanding Bond, and the interest on such Bonds, solely from Pledged Revenues, at the places, on the dates and in the manner provided in this Indenture and in the Bonds. The Village further covenants and agrees that it will make deposits, solely from Pledged Revenues, to meet all Sinking Fund Installments for the Bonds for which Sinking Fund Installments are established, in accordance with and subject to the provisions of this Indenture.

Section 6.2 Extension of Payment of Bonds. If the maturity of any Bond or installment of interest shall be extended pursuant to the written consent of the Owner of such Bond, such Bond or installment of interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to payment out of Pledged Revenues or the Funds and Accounts established by this Indenture or moneys held by Fiduciaries or Depositaries (except moneys held in trust for the payment of such Bond or installment of interest) until the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. The provisions of this Section do not limit the right of the Village to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 6.3 Offices for Servicing Bonds. In the event the Bonds are not in a book entry system, the Village shall at all times maintain one or more Paying Agents and Registrars with offices in Chicago, Illinois, or in New York, New York, at which Bonds may be presented for payment and where Bonds may be presented for registration of any transfer or exchange.

Section 6.4 Further Assurances. At any and all times the Village shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming, all and singular, the rights, Pledged Revenues and other moneys, securities and funds pledged or assigned by this Indenture, or which the Village may become bound to pledge or assign.

Section 6.5 Power to Issue Bonds and to Pledge Pledged Revenues and Other Funds. The Village is duly authorized under all applicable laws to issue the Bonds, to execute and deliver this Indenture, to pledge the Pledged Revenues and other moneys, securities and funds pledged by this Indenture, and to grant the lien granted by this Indenture thereon in the manner and to the extent provided in this Indenture. Except as provided in the Granting Clauses and Section 4.1, the Pledged Revenues and other moneys, securities and funds so pledged, and subject to such lien, are and will be free and clear of any pledge, lien, charge or encumbrance on them or with respect to them prior to, or of equal rank with, the pledge and lien created by this Indenture, and all action on the part of the Village to that end has been and will be duly and validly taken. The lien of the Bonds with respect to the Pledged Revenues is prior and senior to any other obligation of the Village. The Bonds and the provisions of this Indenture are and will be valid and legally enforceable obligations of the Village in accordance with their terms and the terms of this Indenture and any Supplemental Indenture, except to the extent enforceability may be limited by bankruptcy, insolvency and other laws affecting conditions, rights or remedies and the availability of equitable remedies generally. The Village covenants that upon the date of issuance of the Bonds, all conditions, acts and things required by the Constitution and laws of the State of Illinois and this Indenture to exist, to have happened and to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed. The Village shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and lien on the Pledged Revenues and other moneys, securities and funds pledged under this Indenture and all the rights of the Owners under this Indenture against all claims and demands.

Section 6.6 Indebtedness and Liens. The Village may issue Additional Bonds pursuant to a supplemental indenture which would rank on a parity to the Bonds for any purposes authorized in the Redevelopment Plan. Additional Bonds shall have interest payable on December 1 and June 1 and shall have principal payable on December 1 as set forth in the supplemental indenture. At the time of delivery of the Additional Bonds, the Reserve Fund for the Bonds and Additional Bonds shall be fully funded at a level equal to the maximum amount allowed by the Code and the regulations thereunder for a reasonably required reserve fund for the Bonds plus the Additional Bonds.

The Trustee shall authenticate and deliver the Additional Bonds when there has been filed with it the following;

(a) A copy certified by the Village of the ordinance authorizing (1) the execution and delivery of the supplemental indenture, and (2) the issuance, sale, execution and delivery of the Additional Bonds;

(b) An original executed counterpart of the supplemental indenture;

(c) An opinion or opinions of Bond Counsel, addressed to the Village and the Trustee, to the effect that the supplemental indenture and the Additional Bonds have each been validly authorized, are binding and enforceable against the Village, subject to bankruptcy and equitable principles, and that the issuance of the Additional Bonds has been duly authorized;

(d) A request and authorization of the Village to the Trustee to authenticate and deliver the Additional Bonds to such person or persons named therein upon payment for the account of the Issuer of a specified sum plus accrued interest to the date of delivery;

(e) An opinion or opinions of Bond Counsel, addressed to the Village and the Trustee, to the effect that the issuance of the Additional Bonds will not have an impact on the tax status of interest on the Bonds; and

(f) A report prepared by an independent third party who is knowledgeable as to how tax increment is calculated which demonstrates that the anticipated Pledged Revenues are forecasted to equal at least 1.75 times debt service on Outstanding Bonds and the proposed Additional Bonds.

Simultaneously with the delivery of the Additional Bonds, the Trustee shall apply, or arrange for the application of, the proceeds thereof in accordance with the supplemental indenture.

Section 6.7 Covenants Regarding Pledged Revenues. The Village covenants and agrees with the Owners of the Bonds that, so long as any Bonds remain Outstanding and unpaid:

(a) The Village will cause to be punctually paid from the Principal and Interest Account and the Reserve Fund solely to the extent that adequate amounts are on deposit in such Funds and Accounts for that purpose, the principal of, interest on and premium, if any, to become due in respect of the Bonds in strict conformity with the terms of the Bonds and this Indenture and it will faithfully observe and perform all of the conditions, covenants and requirements of the Bonds and this Indenture.

(b) The Village will cause to be punctually paid and discharged, but solely to the extent that adequate amounts are on deposit in Principal and Interest Account and the Reserve Fund for that purpose, any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Revenues, or any part of the Pledged Revenues, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing in this Indenture shall require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

(c) The Village will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries

shall be made of all transactions relating to the Bonds and to the Pledged Revenues. Such books of record and accounts, and any other report, shall at all times during regular business hours be subject to the inspection of the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their respective representatives authorized in writing.

The Village will prepare, or cause the preparation of, within 270 days after the close of each Fiscal Year of the Village so long as any of the Bonds are Outstanding, audited financial statements with respect to the preceding Fiscal Year showing the Pledged Revenues received and all disbursements from the funds and accounts created by this Indenture, on a consolidated basis, as of the end of such Fiscal Year, which statements shall be provided to the Trustee and shall be accompanied by a certificate or opinion in writing of an Independent certified public accountant.

(d) The Village will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all Persons. From and after the sale and delivery of the Bonds by the Village, the Bonds shall be incontestable by the Village.

(e) The Village will execute and deliver any and all such instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Indenture, and for the better assuring and confirming unto the registered owners of the Bonds of the rights and benefits provided in this Indenture, including, without limitation, a Continuing Disclosure Agreement.

(f) The Village will continue to deposit the Incremental Taxes to the Revenue Fund. The Village covenants and agrees with the Bondholders that so long as any Bonds remain outstanding, the Village will not take any action or fail to take any action which in any way would adversely affect the ability of the Village to allocate or collect such taxes. The Village and its officers will comply with the Act and with all present and future applicable laws in order to assure that such taxes may be collected and deposited as provided herein.

(g) The Village will comply with all applicable provisions of the Annexation Agreement and the Redevelopment Agreement and will use its best efforts to cause the Developer to comply with all applicable provisions of the Annexation Agreement and the Redevelopment Agreement.

ARTICLE VII

REMEDIES OF OWNERS

Section 7.1 Events of Default. Each of the following events is an "Event of Default:"

(a) default shall be made in the payment of the principal of or Redemption Price on any Bond when such payment shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) default shall be made in the payment of any installment of interest on any Bond when and as such payment shall become due and payable; or

(c) default shall be made by the Village in the performance of any obligation in respect of the Reserve Fund if such default continues for 60 days after such default; or

(d) the Village shall (1) commence a voluntary case under the federal bankruptcy laws, as now or subsequently constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, (2) make an assignment for the benefit of its creditors, (3) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (4) be adjudicated a bankrupt or have entered against it any order for relief in respect of an involuntary case under the federal bankruptcy laws, as now or subsequently constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, if such order continues in effect for a period of 60 days without stay or vacation; or

(e) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the Village, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the Village under the federal bankruptcy laws or any other applicable federal or state law or statute if such order, judgment or decree is not vacated or set aside or stayed within 60 days from the date of the entry of such order, judgment or decree; or

(f) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Village or of the whole or any substantial part of its property, if such custody or control is not terminated or stayed within 60 days from the date of assumption of such custody or control; or

(g) the Village shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture on the part of the Village to be performed, if such default continues for 60 days after written notice specifying such default and requiring such default to be remedied has been given to the Village by the Trustee (which may give such notice whenever it determines that such a default is subsisting and shall give such notice at the written request of the registered owners of not less than a majority of the principal amount of the Bonds then Outstanding with respect to which such default shall have occurred); provided, that if the nature of the default is such that it cannot be cured within the 60-day period following receipt of notice specifying such default, but can be cured within a longer period, no event of default shall occur if the Village institutes corrective action within such 60-day period and diligently pursues such action until the default is corrected; then in each and every such case the Trustee may, and upon the written request of the Owners of a majority of the principal amount of the Bonds with respect to which the Event of Default has occurred and then Outstanding under this Indenture, the Trustee shall, proceed to protect and enforce its rights and the rights of the Owners of the Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained in this Indenture or in aid or execution of any power granted by this Indenture or for any enforcement of any other legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effective to protect and enforce those rights.

During the continuance of an Event of Default, all moneys received by the Trustee under this Indenture from the Village or from any other source shall be applied by the Trustee in accordance with the terms of Section 7.3.

Section 7.2 Accounting and Examination of Records after Default; No Acceleration after Default.

(a) The Village covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Village and all other records relating to the Pledged Revenues shall at all reasonable times be subject to the inspection of the Trustee and of its authorized agents and attorneys.

(b) The Village covenants that if an Event of Default shall have happened and shall not have been remedied, the Village, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Pledged Revenues and other moneys, securities and funds held by the Village pursuant to the terms of this Indenture for such period as shall be stated in such demand.

(c) The Bonds shall not be subject to acceleration upon the occurrence of an Event of Default.

Section 7.3 Application of Revenues and Other Moneys after Default. If an Event of Default in payment of principal of or interest on the Bonds shall happen and shall not have been remedied, the Village shall transfer all Incremental Taxes to the Trustee for immediate deposit to the Revenue Fund and the Trustee shall apply all moneys, securities and funds received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII as follows and in the following order:

(a) First, to the payment of the reasonable and proper expenses of the Trustee, the Bond Registrar and Paying Agents;

(b) Second,

(i) first, to the payment to the Persons so entitled of all installments of interest then due and owing on the Bonds, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled to such payment, without any discrimination or preference;

(ii) second, to the payment to the Persons so entitled of the unpaid principal of any of the Bonds which shall have become due and owing (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the Persons entitled to payment without any discrimination or preference; and

(iii) third, to the payment of the Redemption Price of any Bonds called for redemption pursuant to the provisions of this Indenture.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Village, to any Owner or to any other Person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and of the endorsement to be entered on each Bond on which payment shall be made, and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

Section 7.4 Proceedings Brought by Trustee.

(a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon identical written request of the Owners of not less than a majority in principal amount of the Bonds Outstanding with respect to which such Event of Default shall have occurred and upon being indemnified to its satisfaction the Trustee shall proceed, to protect and enforce its rights and the rights of the Owners of the Bonds under this Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant contained in this Indenture, or in aid of the execution of any power granted in this Indenture, or for an accounting against the Village as if the Village were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture.

(b) All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production of any of the Bonds in any suit or other proceeding, and any such suit or other proceeding instituted by the Trustee shall be brought in its name.

(c) All actions against the Village under this Indenture shall be brought in a state or federal court located in the State of Illinois.

(d) The Owners of not less than a majority in principal amount of the Bonds at the time Outstanding in respect of which an Event of Default shall have occurred may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or for the enforcement of any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee; provided, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be

advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Owners not parties to such direction.

(e) Upon commencing any suit at law or in equity or any other judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(f) Regardless of the happening of an Event of Default, the Trustee shall have power, but unless requested in writing by the Owners of a majority in principal amount of the Bonds then Outstanding affected by such Event of Default, and furnished with reasonable security and indemnity, shall be under no obligation, to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under this Indenture and to preserve or protect its interests and the interest of the Owners.

Section 7.5 Restriction on Owners' Action.

(a) No Owner of any Bond shall have any right to institute any suit or proceeding at law or in equity for the enforcement or violation of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default, as provided in this Article, and the Owners of at least a majority in principal amount of the Bonds then Outstanding with respect to which such Event of Default shall have occurred shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or by the laws of Illinois or to institute such suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities so to be incurred, and the Trustee shall have refused or failed to comply with such request within 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture or to enforce any right under this Indenture, except in the manner provided in this Indenture; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the benefit of all Owners of the Outstanding Bonds, subject only to the provisions of Section 6.2.

(b) Nothing in this Indenture or in the Bonds shall affect or impair the obligation of the Village, which is absolute and unconditional, to pay at the respective dates of maturity and places expressed in the Bonds, but solely from Pledged Revenues, the principal of and interest on the Bonds to the respective Owners, or affect or impair the right of action, which is also absolute and unconditional, of any Owner to enforce such payment of its Bond, but solely from Pledged Revenues.

(c) No Owner of any Bond shall have the right to cause the acceleration of the Bonds if any Event of Default shall have occurred.

Section 7.6 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Owners is intended to be exclusive of any other remedy, but shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute on or after the date of the execution and delivery of this Indenture.

Section 7.7 Effect of Waiver and Other Circumstances.

(a) No delay or omission of the Trustee or any Owner to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of or acquiescence in any such default.

(b) The Owners of not less than two-thirds in principal amount of the Bonds at the time Outstanding in respect of which an Event of Default shall have occurred, or their attorneys-in-fact duly authorized, may on behalf of the Owners of all of the Bonds waive any past default under this Indenture and its consequences, except a default in the payment of interest on or principal or Redemption Price of any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent on such default.

Section 7.8 Notices of Default. The Trustee shall promptly give written notice of the occurrence of any Event of Default to the Village and to EMMA.

ARTICLE VIII

CONCERNING THE FIDUCIARIES

Section 8.1 Trustee; Appointment and Acceptance of Duties. The Trustee accepts and agrees to the trusts created by this Indenture, but only upon the additional terms set forth in this Article, to all of which the Village agrees and the respective Owners of the Bonds, by their purchase and acceptance of their Bonds, agree. The Trustee undertakes such duties and only such duties as are specifically set forth in this Indenture.

Section 8.2 Paying Agents; Appointment and Acceptance of Duties.

(a) The Trustee is appointed Paying Agent for the Bonds. The Village may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 8.15 for a successor Paying Agent.

(b) The Trustee accepts the duties and obligations imposed upon it as Paying Agent for the Bonds by this Indenture. Each other Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Village and to the Trustee a written acceptance.

(c) Unless otherwise provided, the principal or corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Village for the payment of the principal or Redemption Price of the Bonds.

Section 8.3 Registrar; Appointment and Acceptance of Duties.

(a) The Trustee is appointed Registrar for the Bonds. Each Registrar shall have the qualifications set forth in Section 8.16 for a successor Registrar.

(b) The Trustee accepts the duties and obligations imposed upon it as Registrar under this Indenture for the Bonds. Each other Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Village and to the Trustee a written acceptance.

Section 8.4 Responsibilities of Fiduciaries.

(a) The recitals of fact contained in this Indenture and in the Bonds shall be taken as the statements of the Village and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Bonds issued under this Indenture or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect of such matters. The Trustee shall, however, be responsible for any representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Village or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of paragraph (b) of this Section, no Fiduciary shall be liable in connection with the performance of its duties under this Indenture except for its own negligence or misconduct.

(b) In case an Event of Default has occurred and has not been remedied, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provision of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

Section 8.5 Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary shall be protected in acting upon any notice, ordinance, resolution, request, consent, order, certificate, report, opinion (including Counsel's Opinion), bond or other paper or document furnished to it pursuant to and conforming to the requirements of this Indenture, and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless this Indenture specifically requires other evidence of such matter) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, but in its discretion the Fiduciary may in lieu of such certificate accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(c) Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished by the Village to any Fiduciary shall be sufficiently executed if signed by an Authorized Officer.

Section 8.6 Compensation. Unless otherwise determined by contract between the Village and each Fiduciary, the Village shall pay to each Fiduciary from time to time reasonable compensation determined by the Village for all services rendered under this Indenture.

Section 8.7 Certain Permitted Acts. Any Fiduciary may become the Owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as Depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

Section 8.8 Trustee Required; Eligibility. There shall at all times be a Trustee under this Indenture which shall be a bank or trust company within Illinois organized under the laws of the United States of America or the State of Illinois, authorized to exercise corporate trust powers, subject to supervision or examination by federal or state authorities, and having a reported combined capital and surplus of not less than \$1,000,000. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner provided in Section 8.9. No resignation of the Trustee under Section 8.9 or removal of the Trustee under Section 8.10 and no appointment of a successor Trustee shall become effective until a successor Trustee has accepted its appointment under Section 8.11. If a successor Trustee shall not have accepted its appointment under Section 8.11 within 90 days of a notice of resignation or removal of the current Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a temporary successor Trustee under Section 8.11 to act until such time, if any, as a successor shall have so accepted its appointment. All costs, fees and expenses related to such application to any court shall be paid by the Village.

Section 8.9 Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving not less than 60 days' written notice to the Village, all Owners of the Bonds, the Depositaries and the other Fiduciaries, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the Village or the Owners as provided in Section 8.11, in which event such resignation shall take effect immediately on the appointment of such successor whether or not the date specified for such resignation to take effect has arrived.

Section 8.10 Removal of Trustee. The Trustee may be removed at any time by an instrument in writing delivered to the Trustee and signed by the Village; provided, that if an Event of Default shall have occurred and is continuing, the Trustee may be so removed by the Village only with the written concurrence of the Owners of a majority in principal amount of Bonds then Outstanding. If an Event of Default has occurred, the Trustee may be removed by the Owners of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Village, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys-in-fact duly authorized,

and delivered to the Village. Copies of each such instrument shall be delivered by the Village to each Fiduciary.

Section 8.11 Appointment of Successor Trustee.

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, the Village shall, within 90 days, appoint a successor Trustee. The Village shall cause notice of any such appointment made by it to be mailed to all Owners of the Bonds.

(b) If no appointment of a Trustee shall be made by the Village pursuant to the foregoing provisions of this Section 8.11, the Owner of any Bond Outstanding may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Section 8.12 Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Village, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee; but the predecessor Trustee shall nevertheless, on the written request of the Village or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurances and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all its right, title and interest in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any moneys or other property subject to the trusts and conditions set forth in this Indenture. Should any deed, conveyance or instrument from the Village be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, such deed, conveyance or instrument shall be executed, acknowledged and delivered by the Village. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 8.13 Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all of the corporate trust business of any Fiduciary may be sold or transferred, shall be the successor to such Fiduciary and be bound to the obligations and duties of such Fiduciary without the execution or filing of any paper or the performance of any further act, unless such successor delivers written notice of its resignation pursuant to the provisions of this Article; provided, that such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Indenture.

Section 8.14 Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor

Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in its own name.

Section 8.15 Resignation or Removal of Paying Agent and Appointment of Successor.

(a) Any Paying Agent may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least 60 days' written notice to the Village and the other Fiduciaries. Any Paying Agent may be removed at any time by an instrument signed by an Authorized Officer and filed with such Paying Agent and the Trustee. Any successor Paying Agent shall be appointed by the Village and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least \$1,000,000, willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee and shall be subject to audit of all of its books, records and accounts with respect to the Bonds. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 8.16 Resignation or Removal of Registrar and Appointment of Successor.

(a) Any Registrar may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least 60 days' written notice to the Village and the other Fiduciaries. Any Registrar may be removed at any time by an instrument signed by an Authorized Officer and filed with such Registrar and the Trustee. Any successor Registrar shall be appointed by the Village and shall be a bank, trust company or national banking association doing business and having an office in the State of Illinois, if there be such a bank, trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(b) In the event of the resignation or removal of any Registrar, such Registrar shall deliver all books, records and other property including the bond register of the Village to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Registrar, the Trustee shall act as such Registrar.

Section 8.17 Trustee Not Deemed to Have Notice of Default. The Trustee shall not be deemed to have notice of any default under this Indenture except a default under Section 7.1(a) unless any officer in its corporate trust department shall have actual knowledge of such default or the Trustee shall be specifically notified in writing of such default by the Village or by the Owners of not less than a majority in principal amount of the Bonds Outstanding; and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee.

Section 8.18 Monthly Report by Trustee and Depositaries. Within seven days after the end of each month, the Trustee, any Paying Agent and each Depositary shall prepare a written report for each Fund and Account held by it pursuant to the provisions of this Indenture. Such report shall set out the receipts and disbursements, both principal and income, and shall list the Investment Securities held by the Trustee and each Depositary at the end of the month. A copy of each such report shall be furnished to the Village and any Persons designated by the Village to receive such reports.

In addition, the Trustee, any Paying Agent and each Depositary shall, at any time when requested, including, without limitation, any request at the time of the resignation of the Trustee, any Paying Agent or any Depositary, furnish to the Village and any Persons designated by the Village a report of the amount of moneys, including Investment Securities, held in each Fund and Account by the Trustee and each Depositary. For purposes of this certification, the Investment Securities in each such Fund or Account shall be treated as having a value equal to their aggregate market value as of the date of this request.

Section 8.19 Fees, Charges, Expenses and Indemnification of the Trustee. The Trustee shall be entitled to its reasonable fees, charges and expenses for serving hereunder including those of its agents, counsel, servicer, paying agent and co-trustee. Such fees, charges and expenses shall be paid in accordance with this Indenture. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financing liability in the performance of any of its duties or in the exercise of any of its rights or powers. The Village shall indemnify the Trustee for, and hold it harmless against, any and all loss, liability, costs or expenses in connection herewith, incurred without willful misconduct, negligence or breach of trust on the part of the Trustee, arising out of or in connection with its acceptance of, or the performance of its duties and obligations under this Indenture or any related agreement. The obligations of the Village under this Section to compensate the Trustee, to pay or reimburse the Trustee for expenses, disbursements, charges and counsel fees and to indemnify and hold harmless the Trustee shall survive the satisfaction and discharge of this Indenture. If the monies from the Village are not adequate to pay such obligations, the Trustee may, upon written notice to the Village, reimburse itself from any moneys in its possession under the provisions of this Indenture (other than any irrevocable trust or escrow fund established with respect to defeased Bonds) and shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

Following the occurrence of an Event of Default, the Trustee shall be entitled to payment or reimbursement for all advances, counsel fees and other expenses reasonably made or incurred by the Trustee in and about the execution of the trusts created by this Indenture in connection with the Event of Default and in and about the exercise and performance of the powers and duties of the Trustee hereunder in connection with the Event of Default and for the reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the gross negligence or willful misconduct of the Trustee) in connection with the Event of Default.

The compensation of the Trustee shall not be limited by any provision of law which limits the compensation of a trustee of an express trust.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.1 Supplemental Indentures Not Requiring Consent of Owners. The Village and the Trustee may without the consent of, or notice to, any of the Owners, enter into a Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions of this Indenture for any one or more of the following purposes:

- (a) to impose additional covenants or agreements to be observed by the Village;
- (b) to impose other limitations or restrictions upon the Village;
- (c) to surrender any right, power or privilege reserved to or conferred upon the Village by this Indenture;
- (d) to confirm, as further assurance, any pledge of or lien upon the Pledged Revenues or any other moneys, securities or funds;
- (e) to cure any ambiguity, omission, inconsistency, or defect in this Indenture;
- (f) to provide for the appointment of a successor securities depository in the event the Bonds are held in book-entry only form;
- (g) to provide for the appointment of any successor Fiduciary;
- (h) to make any other change which, in the judgment of the Trustee relying upon Bond Counsel opinion, is not to the prejudice of the Trustee or the Owners.

Section 9.2 Supplemental Indentures Effective upon Consent of Owners. Any Supplemental Indenture not effective in accordance with Section 9.1 shall take effect only if permitted and approved in the manner prescribed by Article X.

Section 9.3 Filing of Counsel's Opinion. If requested by the Trustee, each Supplemental Indenture described in Section 9.1 shall be accompanied, when filed with the Trustee, by a Counsel's Opinion to the effect that such Supplemental Indenture has been duly authorized by the Village in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when executed and delivered, will be valid and binding upon the Village, the Owners and the Trustee.

ARTICLE X

AMENDMENTS

Section 10.1 Notices. Any provision in this Article for the mailing of a notice or other information to Owners shall be fully complied with if it is mailed by first class mail, postage prepaid, or delivered only to each Owner of Bonds then Outstanding at its address, if any, appearing upon the registration books of the Village kept by the Registrar.

Section 10.2 Powers of Amendment. Except for Supplemental Indentures described in Section 9.1, any modification or amendment of this Indenture and of the rights and obligations of the Village and of the Owners of the Bonds under this Indenture, in any particular, may be made by a Supplemental Indenture with the written consent given as provided in Section 10.3 (a) of the Owners of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, and (b) in case less than all of the Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in principal amount of the Bonds so affected and Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds, or of any installment of interest or a reduction in the principal amount or the Redemption Price or in the rate of interest without the consent of the Owner of such Bond, or shall reduce the percentages of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent. For the purposes of this Section, a Bond shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Owners of such Bonds. The Trustee may in its discretion determine whether or not the rights of the Owners of Bonds would be adversely affected or diminished by any such modification or amendment, and its determination shall be binding and conclusive on the Village and all Owners of the Bonds.

Section 10.3 Consent of Owners. The Village may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 10.2, to take effect when and as provided in this Section. Upon the authorization of such Supplemental Indenture, a copy of it shall be delivered to and held by the Trustee for the inspection of the Owners. A copy of such Supplemental Indenture (or summary of it or reference to it in form approved by the Trustee), together with a request to Owners for their consent in form satisfactory to the Trustee, shall be mailed to the Owners, but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as in this Section provided. Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when (a) there shall have been filed with the Trustee (i) the written consents of the Owners of the required principal amount of Outstanding Bonds, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the Village in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when effective, will be valid and binding upon the Village, the Owners and the Trustee, and (b) a notice shall have been mailed as provided below. A certificate or certificates by the Trustee delivered to the Village that consents have been given by the Owners of the Bonds described in such certificate or certificates of the Trustee shall be conclusive. Any such consent shall be binding upon the Owner of the Bonds giving such consent and upon any subsequent Owner of such Bonds and of any Bonds issued in exchange for them whether or not such subsequent Owner has notice of such consent; provided, that any consent may be revoked by any Owner of such Bonds by filing with the Trustee, prior to the time when the Trustee's written statement referred to below is filed, a written revocation, with proof that such Bonds are held by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation is on file with it. Any consent, or revocation of consent, may be delivered or filed prior to any mailing or publication required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing. Within 30 days of any date on

which the consents on file with the Trustee and not previously revoked shall be sufficient under this Section, the Trustee shall make and deliver to the Village a written statement that the consents of the Owners of the required principal amount of Outstanding Bonds have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time thereafter notice, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required principal amount of Outstanding Bonds and will be effective as provided in this Section, shall be given by mailing to the Owners (but failure to mail such notice or any defect in it shall not prevent such Supplemental Indenture from becoming effective and binding). The Trustee shall deliver to the Village proof of the mailing of such notice. A record, consisting of the information required or permitted by this Section to be delivered by or to the Trustee, shall be proof of the matters stated in such record.

Section 10.4 Modifications by Unanimous Action. The Indenture and the rights and obligations of the Village and of the Owners of the Bonds under it may be modified or amended in any respect by a Supplemental Indenture effecting such modification or amendment and with the consents of the Owners of all the Bonds then Outstanding. Such Supplemental Indenture shall take effect upon the filing (a) with the Trustee of (i) a copy of such Supplemental Indenture, (ii) such consents, and (iii) the Counsel's Opinion referred to in Section 10.3, if required, and (b) with the Village of the Trustee's written statement that the consents of the Owners of all Outstanding Bonds have been filed with it. No mailing or publication of any Supplemental Indenture (or reference to it or summary of it) or of any request or notice shall be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its written assent.

Section 10.5 Exclusion of Bonds. Bonds owned or held by or for the account of the Village shall not be deemed Outstanding and shall be excluded for the purpose of any calculation required by this Article. At the time of any consent or other action taken under this Article, the Village shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, identifying all Bonds so to be excluded.

Section 10.6 Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as provided in Article IX or this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Village and the Trustee as to such action, and upon demand of the Owner of any Bond Outstanding at such effective date and presentation of its Bond to the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the Village or the Trustee shall so determine, new Bonds so modified which, in the opinion of the Trustee and the Village, conform to such action may be prepared, authenticated and delivered, and upon demand of the Owner of any Bond then Outstanding shall be exchanged, without cost to such Owner, for such Bond then Outstanding.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Defeasance.

(a) If the Village shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due on such Bonds, at the times and in the manner stipulated in such Bonds and in this Indenture, then the pledge of the Pledged Revenues and other moneys and securities pledged under this Indenture and all covenants, agreements and other obligations of the Village to the Owners shall thereupon be discharged and satisfied. In such event, the Trustee, upon request of the Village, shall provide an accounting of the assets managed by the Trustee to be prepared and filed with the Village for any year or part of a year requested, and shall execute and deliver to the Village all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Village all moneys and securities held by them pursuant to this Indenture which are not required for the payment of Bonds not previously surrendered for such payment or redemption. If the Village shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds of a particular maturity or portion of any maturity (which portion shall be selected by lot by the Trustee in the manner provided in Section 3.4 for the selection of Bonds to be redeemed in part), the principal or Redemption Price, if applicable, of such Bonds and interest due or to become due on such Bonds, at the times and in the manner stipulated in such Bonds and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Village to the Owners of such Bonds and to the Trustee shall thereupon be discharged and satisfied.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the Trustee or an Escrow Agent selected by the Village at or prior to their maturity or redemption date shall be deemed to have been paid within the meaning of and with the effect expressed in this Section 11.1 if the Village shall have delivered to or deposited with the Trustee or such Escrow Agent (i) irrevocable instructions to pay or redeem all of said Bonds in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their principal, (ii) irrevocable instructions to publish or mail the required notice of redemption of any Bonds so to be redeemed, (iii) either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date of said Bonds, as the case may be as set forth in a report by a verification agent, and (iv) if any of said Bonds are not to be redeemed within the next succeeding 60 days, irrevocable instructions to mail to all Owners of said Bonds a notice that such deposit has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of said Bonds. The Defeasance Obligations and moneys deposited with the Trustee pursuant to this Section shall be held in trust for the payment of the principal or

Redemption Price, if applicable, and interest on said Bonds. No payments of principal of any such Defeasance Obligations or interest on them shall be withdrawn or used for any purpose other than the payment of such principal or Redemption Price of, or interest on, said Bonds unless after such withdrawal the amount held by the Trustee and interest to accrue on Defeasance Obligations so held shall be sufficient to provide fully for the payment of the principal of or Redemption Price and interest on such Bonds, at maturity or upon redemption, as the case may be.

(c) Amounts deposited with the Trustee for the payment of the principal of and interest on any Bonds deemed to be paid pursuant to this Section 11.1, if so directed by the Village, shall be applied by the Trustee to the purchase of such Bonds in accordance with this subsection. Bonds for which a redemption date has been established may be purchased on or prior to the 45th day preceding the redemption date. The principal amount of Bonds to be redeemed shall be reduced by the principal amount of Bonds so purchased. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. All such purchases shall be made at prices not exceeding the applicable principal amount or Redemption Price established pursuant to paragraph (b) of this Section 11.1, plus accrued interest, and such purchases shall be made in such manner as the Trustee shall determine. No purchase shall be made by the Trustee pursuant to this subsection if such purchase would result in the Trustee holding less than the moneys and Defeasance Obligations required to be held for the payment of all other Bonds deemed to be paid pursuant to this Section 11.1.

(d) The Village may purchase with any available funds any Bonds deemed to be paid pursuant to this Section 11.1 in accordance with this subsection. Bonds for which a redemption date has been established may be purchased by the Village on or prior to the 45th day preceding the redemption date. On or prior to the 45th day preceding the redemption date the Village shall give notice to the Trustee of its intention to surrender such Bonds on the redemption date. The Trustee shall proceed to call for redemption the remainder of the Bonds due on the redemption date and shall pay to the Village on the redemption date the Redemption Price of and interest on such Bonds upon surrender of such Bonds to the Trustee. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. The Trustee shall pay to the Village the principal amount of and interest on such Bonds upon surrender of such Bonds on the maturity date.

(e) Any time after any Bonds are deemed to be paid pursuant to this Section 11.1, the Village shall not at any time permit any of the proceeds of the Bonds or any other funds of the Village to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in the Code and Regulations.

(f) Each Fiduciary shall continue to be entitled to reasonable compensation for all services rendered under this Indenture as shall be agreed upon by the Village and such Fiduciary, notwithstanding that any Bonds are deemed to be paid pursuant to this Section 11.1, until such Bonds are paid and discharged at maturity or upon their prior redemption.

(g) Anything in this Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated

maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds become due and payable, shall, at the written request of the Village, be repaid by the Fiduciary to the Village, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect to such moneys and the Owners of such Bonds shall look only to the Village for the payment of such Bonds.

Section 11.2 Evidence of Signatures of Owners and Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in Person or their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise expressly provided in this Indenture). The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the registration book maintained by the Registrar.

(b) Any request or consent by the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Village or any Fiduciary in accordance with such request or consent.

Section 11.3 Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled to such payment.

Section 11.4 Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Indenture, shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Village, any other Fiduciary, and any Owner and their agents and their representatives, any of whom may make copies.

Section 11.5 Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, and all mutilated Bonds surrendered pursuant to this Indenture, shall be delivered to the Trustee when such payment or redemption is made or upon surrender, as the case may be, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Trustee, which shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be delivered to the Village and the other retained by the Trustee.

Section 11.6 Parties Interested In This Indenture. Nothing expressed or implied in this Indenture is intended or shall be construed to confer upon, or to give to, any Person, other than the Village, the Fiduciaries and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation in this Indenture; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of

the Village shall be for the sole and exclusive benefit of the Village, the Fiduciaries and the Owners of the Bonds.

Section 11.7 No Recourse on the Bonds.

(a) No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based on them or on this Indenture against any past, present or future member of the Village Board of Trustees, officer, employee or agent of the Village, or any successor public body or any person executing the Bonds, either directly or through the Village, under any rule of law or equity, statute or constitution or otherwise and all such liability of any such members, officers, employees or agents as such is expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of the Bonds.

(b) No officer, member, agent or employee of the Village shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Bonds; but nothing in this Indenture shall relieve any such officer, member, agent or employee from the performance of any official duty provided by law.

(c) All covenants, stipulations, obligations and agreements of the Village in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Village to the full extent authorized and permitted by the Constitution and laws of the State of Illinois, and no covenants, stipulations, obligations or agreements in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Village in his or her individual capacity, and no officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issue of such Bonds. No member, officer, agent or employee of the Village shall incur any personal, liability in acting or proceeding or in not acting or not proceeding in accordance with the terms of this Indenture.

Section 11.8 Successors and Assigns. Whenever in this Indenture the Village is named or referred to, the reference shall be deemed to include its successors and assigns and all the covenants and agreements in this Indenture by or on behalf of the Village shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 11.9 Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the Village or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

Section 11.10 Notices. Any notice, demand, direction, request or other instruments authorized or required by this Indenture to be given to, delivered to or filed with the Village or the Trustee shall be deemed to have been sufficiently given, delivered or filed for all purposes of the Indenture if and when sent by registered mail, return receipt requested:

To the Village, if addressed to:

Village of East Dundee
120 Barrington Avenue
East Dundee, Illinois 60118
Attn: Village President

or at such other address as may be designated in writing by the Village to the Trustee; and

To the Trustee, if addressed to:

Amalgamated Bank of Chicago
One West Monroe Street, 3rd Floor
Chicago, Illinois 60603
Attn: Corporate Trust Department

or at such other address as may be designated in writing by the Trustee to the Village.

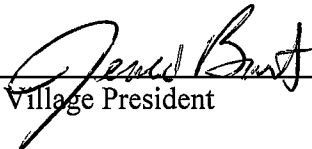
Section 11.11 Governing Law. The Indenture and all Supplemental Indentures shall be construed in accordance with the provisions of the internal laws of the State of Illinois, without giving effect to any contrary provisions of the laws of the State of Illinois or any other state.

Section 11.12 Headings Not a Part of This Indenture. Any headings preceding the texts of the several Articles and Sections of this Indenture, and any Table of Contents appended to copies of this Indenture, are solely for convenience of reference and do not constitute a part of this Indenture, nor do they affect its meaning, construction or effect.

Section 11.13 Counterparts. The Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

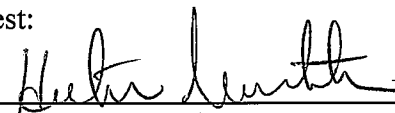
IN WITNESS WHEREOF, the Village of East Dundee has caused this Indenture to be executed in its name and on its behalf by its President and Amalgamated Bank of Chicago has caused this Indenture to be executed in its behalf by its Vice President and its corporate seal to be impressed hereon and attested by its Trust Officer, all as of the day and year first above written.

VILLAGE OF EAST DUNDEE

By: 
Village President

(Seal)

Attest:

By: 
Village Clerk

AMALGAMATED BANK OF CHICAGO, as
Trustee

By: _____
Authorized Signatory

(Seal)

Attest:

By: _____
Authorized Signatory

Exhibit A

REGISTERED
NO. R-1

REGISTERED
\$6,675,000

VILLAGE OF EAST DUNDEE
LIMITED OBLIGATION TAX INCREMENT REVENUE BONDS
SERIES 2012 (ROUTE 25 SOUTH REDEVELOPMENT PROJECT)

Interest Rate	Maturity Date	Dated Date	CUSIP
%	December 1, 2031	November __, 2012	

Registered Owner: Cede & Co.

Principal Amount: Six Million Four Hundred Thirty Thousand and 00/100 Dollars

The Village of East Dundee, Cook County, Illinois, a municipal corporation and unit of local government duly organized and existing under the laws of the State of Illinois (the "Village"), for value received, promises to pay (but only out of the sources provided in this bond) to the Registered Owner identified above or registered assigns, upon presentation and surrender of this bond, the Principal Amount identified above on the Maturity Date specified above, and to pay (but only out of the sources provided in this bond) interest on said Principal Amount from the interest payment date next preceding the date of authentication and delivery of this bond, unless this bond is authenticated and delivered on an interest payment date to which interest has been paid or provided for, in which event this bond shall bear interest from such interest payment date, or unless this bond is authenticated and delivered prior to January 1, 2013, in which event this bond shall bear interest from its Dated Date, or unless, as shown by the records of the Trustee (defined below), interest on this bond shall be in default, in which event this bond shall bear interest from the last date to which interest has been paid. Interest on this bond (computed on the basis of a 360-day year consisting of twelve 30-day months) is payable on December 1 and June 1 of each year, commencing June 1, 2013, until the payment in full of such Principal Amount.

Principal of and premium, if any, on this bond are payable in lawful money of the United States of America at the principal corporate trust office of Amalgamated Bank of Chicago, in Chicago, Illinois, or its successor in trust (the "Trustee"), and payment of interest shall be made so long as the Bonds are held in book-entry form to the Depository (initially Cede & Co.) by check or draft or electronic funds transfer as may be agreed to by the Village and the Depository; and in the event the Bonds should ever become available in physical form to registered owners other than the Depository, interest on each Bond shall be paid by check or draft of the Trustee to the person in whose name such Bond is registered on the registration books of the Village maintained by the Trustee at the close of business on the fifteenth (15th) day of the calendar month next preceding any regularly scheduled interest payment date, and in the event of a payment occasioned by redemption on other than a regularly scheduled interest payment date, on the 15th day next preceding such payment date (the "Regular Record Date"). If a payment date

is not a business day, then the payment shall be made on the next business day, and no interest shall accrue for the intervening period.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of, premium (if any) or interest on this Bond shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid.

The Village Bonds are authorized by an ordinance duly adopted by the Corporate Authorities of the Village on November __, 2012 (the "Bond Ordinance"), and are issued under the authority of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "Act"), and all laws amendatory of and supplemental to the Act, the Local Government Debt Reform Act, (30 ILCS 350/1 et seq.) the Bond Ordinance, and a Trust Indenture, dated as of _____, ____, between the Village and the Trustee (the "Indenture"). As provided in the Indenture, the principal of and interest on the Bonds are payable solely from and secured by a pledge of and lien on the Pledged Revenues, as defined in the Indenture and described below, and amounts on deposit in certain Funds and Accounts established pursuant to the Indenture.

Pledged Revenues includes 100% of the ad valorem taxes, if any, arising from the taxes levied upon certain taxable real property within each of the Redevelopment Project Areas (Route 25 Redevelopment Project Area, the Prairie Lakes Redevelopment Project Area, the Downtown TIF Redevelopment Area and the Route 25 South Redevelopment Project Area) by any and all taxing districts or municipal corporations having the power to tax real property in each of the Redevelopment Project Areas, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property over and above the total Initial Equalized Assessed Value of property located in the Redevelopment Project Areas, all as determined by the County Clerks of the Counties of Cook and Kane, Illinois, in accordance with Section 11.74.4.9 of the Act and as determined by the Treasurer of the Village (the "Incremental Taxes").

The Bonds are being issued for the purpose of paying certain redevelopment project costs incurred in connection with the Village of East Dundee Route 25 South Redevelopment Project Area, funding a Reserve Fund for the Bonds, paying a portion of the interest accruing on the Bonds, and paying costs of issuance of the Bonds, all as more fully described in the Indenture, to all the provisions of which the Registered Owner by the acceptance of this Bond assents. The Bonds, together with the interest on the Bonds, are limited obligations of the Village, payable solely from Pledged Revenues as provided in the Indenture and the amounts on deposit in and pledged to the various funds and accounts as provided in the Indenture. For the prompt payment of this bond, both principal and interest, as stated above, at maturity, the Pledged Revenues have been irrevocably pledged. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NO REGISTERED OWNER OF THIS BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE FOR

PAYMENT OF PRINCIPAL OF THIS BOND OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS.

An executed copy of the Indenture is on file at the principal corporate trust office of the Trustee in Chicago, Illinois, and reference is made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Village, the Trustee and the Registered Owners of the Bonds and the terms upon which the Bonds are issued and secured and the terms and conditions upon which Refunding Bonds may be issued.

This bond is transferable, as provided in the Indenture, only upon the registration books of the Village maintained by the Registrar by the Registered Owner in person, or by its duly authorized attorney, upon surrender of this Bond with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney, and thereupon a new registered Bond or Bonds, in the same aggregate principal amount and maturity, shall be issued to the transferee. The Village, the Trustee, the Registrar and any Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner of this Bond for the purpose of receiving payment of, or on account of, the principal of this Bond and interest due on this Bond and for all other purposes.

The Bonds are issuable in the form of fully registered bonds in the denomination of \$100,000 or any integral multiple of \$5,000 in excess of that amount. Subject to the conditions and upon the payment of the charges provided in the Indenture, the Bonds may be surrendered (accompanied by a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney) in exchange for an equal aggregate principal amount of the Bonds of the same maturity of any other authorized denominations.

The Registrar shall not be required to make any registration, transfer or exchange of any Bond during the period between each Regular Record Date and the next succeeding interest payment date of such Bond.

The Bonds are subject to redemption at the option of the Village, in whole or in part, and if in part, by lot as determined by the Trustee from any available funds of the Village on December 1, 2021, and any date thereafter, at a redemption price equal 100% of the principal amount of Bonds called for redemption, without premium, together with accrued interest, if any, to the redemption date.

The Bonds are subject to mandatory sinking fund redemption by operation of the Principal and Interest Account prior to maturity at a redemption price of 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the date fixed for redemption in the following principal amounts on December 1 of the following years:

<u>Year</u>	<u>Amount</u>
2014	
2015	
2016	
2017	

<u>Year</u>	<u>Amount</u>
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
*2031	

*Maturity Date

If the Village redeems Bonds pursuant to an optional redemption or purchases Bonds and cancels the same, then an amount equal to the principal amount of Bonds so redeemed or purchased shall be deducted from the mandatory sinking fund redemption requirement as provided for such Bonds in any order of years of such requirement as then remaining as the Village shall determine.

The Bonds are also subject to extraordinary mandatory redemption at the direction of the Village, in whole or in part, on any date from available moneys transferred to the Special Redemption Account from the Project Fund and the Reserve Fund in accordance with the Indenture, and if in part by lot, at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, but only in the event that moneys in the Project Fund have not been expended to pay or reimburse the Village for the payment of, eligible Project Costs for the Project by _____.

The Bonds are also subject to extraordinary mandatory redemption at the direction of the Village, in whole or in part, on any date at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date, from amounts deposited to the Special Redemption Account from the proceeds of any condemnation by any governmental entity of the improvements funded with the proceeds of the Bonds.

Any such extraordinary mandatory redemption of the Bonds shall be applied, to the extent possible, to reduce pro rata the amount of the Bonds required to be redeemed by mandatory sinking fund redemption pursuant to Section 2.5(a) of the Indenture and so as to maintain the proportion of principal maturing in each year to the total original principal amount of the Bonds and if such prepayment amount is insufficient to apply pro rata, then in such order and among maturities or sinking fund installments as directed by the Village.

The Village shall, at least 35 days prior to the redemption date (unless a shorter time shall be satisfactory to the Trustee), notify the Trustee of such redemption date and of the principal amount of Bonds to be redeemed. In the event that less than all of the Bonds are called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than 30 days prior to the redemption date by the Trustee for the Bonds by such method of lottery as the Trustee shall deem fair and appropriate; provided that in the event of a redemption of less than all of the Bonds, the aggregate principal amount thereof to be redeemed shall be an integral multiple of \$5,000. Such lottery shall further provide for the selection for redemption of Bonds or portions thereof so that any Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such Bond or \$5,000 portion. Any optional redemption shall be applied to reduce mandatory Sinking Fund Installments in inverse order of installment.

Unless waived by the owner of Bonds to be redeemed, notice of any such redemption shall be given by the Trustee on behalf of the Village by mailing the redemption notice by registered or certified mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owners to the Trustee.

The Indenture provides that if the Village shall pay the principal and interest due or to become due on all Bonds, at the times and in the manner stipulated in the Bonds and in the Indenture, then the pledge and lien created by the Indenture for all Bonds shall be discharged and satisfied. The Indenture also provides that if the Village pays or causes to be paid to the Owners of all Outstanding Bonds of a particular maturity or portion of any maturity (which portion shall be selected by lot by the Trustee in the manner provided in the Indenture for the selection of Bonds to be redeemed in part), the principal or Redemption Price, if applicable, of such Bonds and interest due or to become due on such Bonds, at the times and in the manner stipulated in the Bonds and in the Indenture, then the pledge and lien, created by the Indenture, and all covenants, agreements and obligations of the Village to the Owners of such Bonds shall be discharged and satisfied. Bonds or interest installments for the payment of which moneys shall have been set aside and held in trust at or prior to their maturity date shall be deemed to have been paid if, among other things, the Village shall have delivered to the Trustee either moneys in an amount which shall be sufficient or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the "Government Obligations"), the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest due and to become due on said Bonds on and prior to each specified maturity date. Government Obligations and moneys so deposited with the Trustee shall be held in trust for the payment of the principal of and interest on said Bonds.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants in the Indenture, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect to them, except as provided in the Indenture.

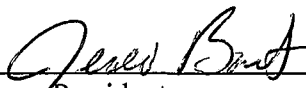
Modifications or alterations of the Indenture, or of any supplements to it, may be made only to the extent and in the circumstances permitted by the Indenture.

It is certified, recited and declared that all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond have been performed in due time, form and manner as required by law; and that the issuance of this Bond and the series of which it is a part does not exceed or violate any constitutional or statutory limitation.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication shall have been duly executed by the Trustee.


IN WITNESS WHEREOF, the Village of East Dundee has caused this Bond to be signed in its name and on its behalf by the manual or duly authorized facsimile signature of its Village President and its corporate seal (or a facsimile of it) to be impressed, imprinted, engraved or otherwise reproduced on this bond and attested by the manual or duly authorized facsimile signature of its Village Clerk, all as of the Dated Date identified above.

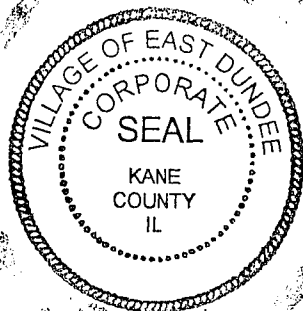
VILLAGE OF EAST DUNDEE


Village President

[Seal]

Attest:


Village Clerk



[FORM OF CERTIFICATE OF AUTHENTICATION]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds
described in the within-mentioned Indenture.

Date of Authentication and Delivery:

AMALGAMATED BANK OF CHICAGO, as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

Unif Gift Min Act - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors Act _____
(State)

Ten Com - as tenants in common
Ten Ent - as tenants by the entireties
Jt Ten - as joint tenants with right of survivorship and not as tenants
in common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Please insert Social Security or other identifying number of Assignee)

the within bond and irrevocably constitutes and appoints _____,
Attorney, to transfer the said bond on the books kept for registration of the said bond with full
power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name as it appears upon
the face of the within bond in every particular, without alteration or enlargement or
any change whatever.

Exhibit B

**REQUEST FOR PAYMENT OF COSTS
OF IMPROVEMENTS OR COSTS OF ISSUANCE**

TO: Amalgamated Bank of Chicago, Trustee
One West Monroe
Chicago, Illinois 60603
Attention: Corporate Trust Department

RE: \$6,675,000
Village of East Dundee, Kane and Cook Counties, Illinois
Limited Obligation Tax Increment Revenue Bonds Series 2012
(Route 25 South Redevelopment Project)

Amount Requested: _____

Request No.: _____

Total Disbursements to Date: _____

1. The Village of East Dundee, Kane and Cook Counties, Illinois (the "**Village**") hereby requests that Amalgamated Bank of Chicago, as Trustee (the "**Trustee**") under the Trust Indenture dated as of November 1, 2012 for the above-referenced Limited Obligation Tax Increment Revenue Bonds, Series 2012 (Route 25 South Redevelopment Project) (the "**Indenture**"), by and between the Village and the Trustee disburse on _____ the Amount Requested above from the Project Fund (as such term is defined in the Indenture). All capitalized terms herein shall have the meanings assigned to them in the Indenture.

2. In connection with the requested disbursement, the Village and the Developer hereby certify[ies] as follows:

(a) This written requisition is for payment of Costs of the Improvements in connection with the issuance of the above-referenced Bonds or reimbursement for the Costs of the Improvements as detailed in Schedule 1.

(b) The Village has complied with all requirements under the Act and the Indenture relating to the disbursement request.

(c) The Village Engineer has inspected the work for which payment is requested and has confirmed that the work for which payment is requested has been completed and payment therefore should be approved.

(d) Payment instructions sufficient to make the requested payment are set forth in Schedule 2.

(e) The disbursement represents proper Project Costs as defined in the Indenture, and no portion of the disbursement was set forth in any previous request for payment.

(f) 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.

VILLAGE OF EAST DUNDEE

By: Robert J. Shurley
Village Administrator

GAT PROPERTIES, LLC, an Illinois limited
liability company

By: _____
Its Manager

Exhibit C

Costs of the Improvements

\$6,675,000 Village of East Dundee,
Kane and Cook Counties, Illinois
Limited Obligation Tax Increment Revenue Bonds, Series 2012
(Route 25 South Redevelopment Project)

BOND PURCHASE AGREEMENT

November __, 2012

Village of East Dundee, Illinois
120 Barrington Avenue
East Dundee, Illinois 60118

Ladies and Gentlemen:

The undersigned, William Blair & Company, L.L.C. (the "**Original Purchaser**"), offers to enter into the following agreement (this "**Contract**") with the Village of East Dundee, Kane and Cook Counties, Illinois (the "**Village**"), which upon acceptance by the Village of this offer will be binding upon the Village and the Original Purchaser. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Indenture and the Limited Offering Memorandum (each as hereinafter defined).

This offer is made subject to acceptance by the Village on or before 1:00 P.M., Chicago time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Original Purchaser upon notice delivered to the Village at the address set forth above at any time prior to the acceptance hereof by the Village. This offer is also subject to the following provisions:

1. **Definitions.** For purposes of this Contract, the following terms have the meanings specified in this section, unless another meaning is plainly intended:

"**Act**" means the Tax Increment Allocation Redevelopment Act of the State of Illinois, Division 74.4 of Article 11 of the Illinois Municipal Code, 65 ILCS 5/11-74.4-1 *et seq.*, as amended and supplemented from time to time.

"**Ancillary Agreements**" means the Bond Ordinance, the Indenture, the Limited Offering Memorandum, the Continuing Disclosure Agreement, the Tax Certificate, the Redevelopment Agreement, and all other agreements and certificates executed and delivered in connection with the issuance and sale of the Bonds.

"**Bond Ordinance**" means Ordinance No. _____ adopted by the corporate authorities of the Village on November 5, 2012, providing for the issuance of the Bonds in the aggregate principal amount of not to exceed \$7,000,000.

"**Bonds**" means the interest-bearing, tax-exempt obligations issued by the Village pursuant to the Bond Ordinance called the Village of East Dundee, Kane and Cook Counties, Illinois Limited Obligation Tax Increment Revenue Bonds, Series 2012 (Route 25 South Redevelopment Project).

"Business Day" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are required or authorized by law to be closed in the City of Chicago or the State of Illinois or a day on which the New York Stock Exchange is closed.

"Closing" means the Closing as defined in Section 2(b) herein held on the Closing Date.

"Closing Date" means November __, 2012 or such earlier or later date as the Village and the Original Purchaser shall mutually agree upon and refers to the date on which the transaction by which the Village causes the Trustee to deliver the Bonds to the Original Purchaser and the Bonds are paid for by the Original Purchaser pursuant to this Contract.

"Code" means the Internal Revenue Code of 1986, as amended.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement dated as of November __, 2012 by the Village.

"Contract" means this Bond Purchase Agreement.

"Corporate Authorities" means the President and Board of Trustees of the Village.

"Developer" means GAT Properties, LLC, an Illinois limited liability company.

"Establishing Ordinances" means, collectively, (i) Ordinance No. 12-65 adopted by the Corporate Authorities on August 20, 2012 with respect to the Route 25 South Redevelopment Project Area, (ii) Ordinance No. 06-41 adopted by the Corporate Authorities on September 18, 2006 with respect to the Route 25 Redevelopment Project Area, (iii) Ordinance No. 00-23 adopted by the Corporate Authorities on October 2, 2000 with respect to the Prairie Lakes Redevelopment Project Area, and (iv) Ordinance No. 08-35 adopted by the Corporate Authorities on June 18, 2008 with respect to the Downtown TIF Redevelopment Project Area, each, as further described in the Indenture.

"Governmental Body" means any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

"Indenture" means the Trust Indenture dated as of November 1, 2012 between the Village and the Trustee, and any amendments and supplements thereto, pursuant to which the Bonds will be issued.

"Limited Offering Memorandum" means the Limited Offering Memorandum of the Village (including each Appendix thereto) relating to the Bonds dated November __, 2012.

"Original Purchaser" means William Blair & Company, L.L.C.

"Pledged Revenues" means the Incremental Taxes and the moneys and funds pledged to the payment of the Bonds by the Village pursuant to the Bond Ordinance and the Indenture.

"Redevelopment Agreement" means that certain Redevelopment Agreement dated November __, 2012 between the Village and the Developer.

"Tax Certificate" means the Tax Compliance Certificate and Agreement dated the Closing Date executed by the Village and the Trustee in connection with the Bonds.

"Trustee" means Amalgamated Bank of Chicago, Chicago, Illinois, as Trustee under the Bond Ordinance and the Indenture.

"Village" means the Village of East Dundee, Cook County, Illinois.

"Village Information" means the descriptions and information contained in the Limited Offering Memorandum, with the exception of the information under the captions "BOOK-ENTRY ONLY SYSTEM," "KANE COUNTY REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION," "RISK FACTORS", "TAX EXEMPTION", "FINANCIAL ADVISOR," and "UNDERWRITING."

2. **Purchase and Sale of the Bonds.**

a. Sale of Bonds. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein, the Original Purchaser hereby agrees to purchase from the Village, and the Village hereby agrees to sell to the Original Purchaser, all, but not less than all, of the \$6,675,000 aggregate principal amount of Bonds, at a purchase price equal to \$_____ (representing the principal amount of the Bonds plus a net original issue premium of \$_____ and less an underwriter's discount of \$_____). The Bonds shall be issued pursuant to the Bond Ordinance and Indenture. The Bonds shall be dated, shall mature on such dates and in such amounts, shall bear interest at such rates, shall be offered at the initial offering prices and shall be subject to such other terms and conditions, all as described in **Appendix A** hereto, the Limited Offering Memorandum, the Bond Ordinance and the Indenture.

b. Closing. The purchase and sale of the Bonds shall take place on the Closing Date at the offices of Ice Miller LLP, Chicago, Illinois. At the Closing, as defined below, the Original Purchaser will accept the delivery of the Bonds duly executed by the Village, together with other documents herein mentioned, and will make payment therefor as provided herein by immediately available funds payable to the order of the Trustee for the account of the Village.

The payment for the Bonds and delivery of the Bonds, as herein described, is herein called the "**Closing**."

3. **Village's Pre-Closing Deliveries; Preliminary Limited Offering Memorandum.**

a. Prior to the Closing Date, the Village shall have delivered or caused to be delivered to the Original Purchaser an executed copy of the Limited Offering Memorandum, executed on behalf of the Village by its President.

b. Prior to the Closing Date, the Village shall have delivered or caused to be delivered to the Original Purchaser certified copies of the Bond Ordinance and such other ordinances of the Village which shall include the authorization of the execution, delivery

and performance of this Contract, the Bonds and the other Ancillary Agreements to which the Village is a party, among other things, together with such reasonable number of copies of each of the foregoing as the Original Purchaser shall request.

c. The Village hereby authorizes any and all of the material described above in subsections (a) and (b) of this Section 3 and the Ancillary Agreements, the Village Information and the Bond Ordinance and all other instruments, documents and agreements delivered pursuant to Section 7 of this Contract or in connection with the transactions contemplated hereby, for use in connection with the offering and sale of the Bonds. The Village hereby ratifies, approves, and consents to the use and distribution by the Original Purchaser, prior to or after the date hereof, of the Limited Offering Memorandum in connection with the offering of the Bonds. The Village hereby agrees to furnish such information, execute such instruments and take such other action at the expense of and in cooperation with the Original Purchaser as the Original Purchaser may deem necessary in order to qualify the Bonds for offering and sale under the "Blue Sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Original Purchaser may designate; provided, however, that the Village shall not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

d. For purposes of Rule 15c2-12 ("**Rule 15c2-12**") of the Securities and Exchange Commission ("**SEC**"), the Preliminary Limited Offering Memorandum of the Village dated October __, 2012 (the "**Preliminary Limited Offering Memorandum**") is "deemed final" by the Village as of its date except for the omission of such information as is permitted by Rule 15c2-12.

4. **Representations and Warranties of the Village.** The Village represents and warrants to and agrees with the Original Purchaser that:

a. **Village.** The Village is a home rule unit and municipal corporation duly organized and validly existing and is in good standing under the laws and the Constitution of the State of Illinois. The Village is acting pursuant to the provisions of the Act, the Bond Ordinance and such other ordinances of the Village as have been duly adopted by the Village, to enter into the transactions contemplated by this Contract, the Bond Ordinance, the Limited Offering Memorandum, and the Ancillary Agreements to which the Village is or is to be a party. The adoption of each of the Establishing Ordinances and the Bond Ordinance and the execution, delivery and performance by the Village of this Contract, the Ancillary Agreements to which the Village is or is to be a party and the issuance of the Bonds are within the legal right, power and authority of the Village, have been duly and validly authorized by all necessary proceedings of the Village, and such execution, delivery and performance by the Village as of the date of this Contract and as of the Closing Date do not and will not contravene, or constitute a breach of or default (with due notice or the passage of time or both) under, any provision of law, ordinance or regulation applicable to the Village, or any provision of the municipal code or other rules and procedures of the Village, or any judgment, order, decree, agreement or instrument binding on it, or, except as described in the Limited Offering Memorandum, result in the creation of any lien or other encumbrance on any

asset of the Village. This Contract and the Bond Ordinance each constitute, and the Ancillary Agreements to which the Village is or is to be a party, when executed and delivered by the Village and any other parties thereto, will constitute valid and binding agreements of the Village enforceable against the Village in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization, or other similar laws affecting creditors' rights generally and by the availability of equitable remedies, and the Bonds, when issued and delivered by the Village in accordance with this Contract, the Bond Ordinance and the Indenture will have been duly authorized and issued and will constitute valid and binding obligations of the Village enforceable against the Village in accordance with their terms, except to the extent limited by bankruptcy, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies. When delivered to and paid for by the Original Purchaser at the Closing in accordance with the provisions of this Contract, the Bonds will conform in all material respects to the description thereof contained in the Limited Offering Memorandum.

b. Use of Proceeds. The Village will not take or omit to take any action which will in any way cause or result in the proceeds from the sale of the Bonds being applied other than as provided in the Bond Ordinance and as described in the Limited Offering Memorandum. Such proceeds will not be used by the Village in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code, or any successor thereto, and the applicable regulations promulgated or proposed thereunder.

c. No Default. No default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default on the part of the Village under this Contract, the Ancillary Agreements, or any other material agreement or material instrument to which the Village is a party or by which the Village is or may be bound.

d. Governmental Authorization. All authorizations, consents and approvals of any Governmental Body required in connection with the execution and delivery by the Village of, or in connection with the performance by the Village of its obligations under, the Bonds, the Establishing Ordinances, the Bond Ordinance, this Contract, or the Ancillary Agreements to which the Village is or is to be a party, have been obtained and are in full force and effect, or will be obtained prior to Closing and will be in full force and effect as of the Closing Date.

e. Limited Offering Memorandum. The Village Information is, and as of the date of the Closing, will be, true and correct in all material respects and such descriptions and information in the Limited Offering Memorandum, as of its date and as of the Closing Date will not contain an untrue, incorrect or misleading statement of a material fact; and such descriptions and information in the Limited Offering Memorandum do not, as of its date and as of the Closing Date will not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

f. No Liens or Encumbrances. Other than as specifically set forth in the Limited Offering Memorandum, the Bond Ordinance and the Indenture, there are no existing liens, claims, charges or encumbrances on or rights to any funds, revenues or interests pledged pursuant to the Bond Ordinance and the Indenture which are senior to, or on a parity with, the claims of the holders of the Bonds. Other than as specifically disclosed in the Limited Offering Memorandum, the Village has not entered into any contract or arrangements of any kind, and there is no existing, pending, threatened, or anticipated event or circumstance that might give rise to any lien, claim, charge or encumbrance on or right to the assets, properties, funds, or interests pledged pursuant to the Bond Ordinance and the Indenture which would be prior to, or on a parity with, the claims of the holders of the Bonds. The Village is lawfully entitled to receive, pledge and assign all amounts or revenues which have been pledged or assigned as security for the payment of the principal of and interest on the Bonds.

g. No Litigation. As of the date of this Contract and as of the Closing Date (i) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the Village or, to the knowledge of the Village, threatened against the Village, to restrain or enjoin, or threatening or seeking to restrain or enjoin, the issuance, sale or delivery of the Bonds or the delivery by the Village of any of the Ancillary Agreements to which the Village is a party, or the collection or allocation of the Pledged Revenues, or in any way contesting or affecting the validity of the Bond Ordinance, the Establishing Ordinances, the Bonds, or any of the Ancillary Agreements to which the Village is a party, or in any way questioning or affecting (A) the proceedings under which the Bonds are to be issued, (B) the validity or enforceability of any provision of the Bonds, the Bond Ordinance, the Establishing Ordinances, the Indenture or this Contract, (C) the authority of the Village to collect or allocate the Pledged Revenues or to perform its obligations hereunder or with respect to the Bonds, or to consummate any of the transactions set forth in the Ancillary Agreements to which it is or is to be a party as contemplated hereby or by the Bond Ordinance or the Limited Offering Memorandum, (D) the legal existence of the Village, or the title of the Corporate Authorities to their offices, and (ii) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the Village or, to the knowledge of the Village, threatened against the Village, involving any of the property or assets within the Village which may result in any material adverse change in the Pledged Revenues.

h. Certificates. Any certificate signed by an authorized officer of the Village and delivered to the Original Purchaser and/or the Trustee shall be deemed a representation and covenant by the Village to the Original Purchaser and/or the Trustee as to the statements made therein.

i. Ordinances. Each of the Establishing Ordinances, the Bond Ordinance and the Bond Ordinance is in full force and effect, and has not been amended, modified, revoked or repealed.

j. Commercial Transaction. The Village acknowledges and agrees that the purchase and sale of the Bonds pursuant to this Contract is an arm's-length commercial transaction between the Village and the Original Purchaser, acting solely as a principal and not as a municipal advisor, financial advisor or agent of the Village. The Village acknowledges and agrees that the Original Purchaser has not assumed a financial advisory responsibility in favor of the Village with respect to the offering of the Bonds or the process leading thereto (whether or not the Original Purchaser, or any affiliate of the Original Purchaser, has advised or is currently advising the Village on other matters) or any other obligation to the Village except the obligations expressly set forth in this Contract, it being the Village's understanding that a financial advisory relationship shall not be deemed to exist when, in the course of acting as an Original Purchaser, a broker, dealer or municipal securities dealer, a person renders advice to an issuer, including advice with respect to the structure, timing, terms and other similar matters concerning a new issue of municipal securities. The Original Purchaser has no obligation to the Village with respect to the offering contemplated hereby except the obligations expressly set forth in this Contract. The Original Purchaser has provided to the Village prior disclosures regarding its role as underwriter, its compensation, any potential or actual material conflicts of interest, and material financial characteristics and material financial risks associated with the transaction to the extent required by Municipal Securities Rulemaking Board rules. The Village has consulted its own legal, financial, and other advisors to the extent it has deemed appropriate.

5. **Representations and Warranties and Agreements of the Original Purchaser.**

a. Offering. The Original Purchaser agrees to make an offering of the Bonds at a price or prices (or yield or yields) not in excess of the offering price or prices (or not lower than the yield or yields) set forth on the cover page of the Limited Offering Memorandum.

b. Limited Offering Memorandum. The descriptions and information contained in the Limited Offering Memorandum under the caption "UNDERWRITING" are, and as of the date of the Closing will be, true and correct in all material respects and such descriptions and information in the Limited Offering Memorandum, as of its date and as of the Closing Date will not contain an untrue, incorrect or misleading statement of a material fact; and such descriptions and information in the Limited Offering Memorandum do not, as of its date and as of the Closing Date will not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

6. **Termination of the Contract.** The Original Purchaser shall have the right to cancel its obligations to purchase the Bonds, if, between the date hereof and the date of Closing:

(a) legislation (including any amendment thereto) shall have been introduced in or adopted by either House of the Congress of the United States or recommended to the Congress or otherwise endorsed for passage by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States or the Committee on Ways and Means of the

United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff of such committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Internal Revenue Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either house, or (ii) a decision shall have been rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or (iii) an order, filing, ruling or regulation shall have been issued or proposed by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or any other agency of the United States, or (iv) a release or official statement shall have been issued by the President of the United States or by the Treasury Department of the United States or by the Internal Revenue Service, the effect of which, in any such case described in clauses (i), (ii), (iii), or (iv) above, would be to impose, directly or indirectly, Federal income taxation upon interest received on obligations of the general character of the Bonds or upon income of the general character to be derived by the Village, other than as imposed on the Bonds and income therefrom under the Federal tax laws in effect on the date hereof, in such a manner as in the judgment of the Original Purchaser would make it impracticable to market the Bonds on the terms and in the manner contemplated in the Limited Offering Memorandum; or

(b) legislation shall be enacted, or actively considered for enactment by the Congress, with an effective date on or prior to the date of Closing, or a decision by a court of the United States shall be rendered, or a ruling or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction over the subject matter shall be made, the effect of which is that (i) the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or (ii) the Indenture is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) a stop order, ruling or regulation by the Securities and Exchange Commission shall be issued or made, the effect of which is that the issuance, offering or sale of the Bonds, as contemplated herein, and in the Limited Offering Memorandum is in violation of any provision of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(d) there shall occur any event which in the reasonable judgment of the Original Purchaser either (i) makes untrue, incorrect or misleading in any material respect any statement or information contained in the Limited Offering Memorandum or (ii) is not reflected in the Limited Offering Memorandum but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and, in either such event, the Village refuses to permit the Limited Offering Memorandum to be supplemented to correct or supply such statement or information, or the effect of the Limited Offering Memorandum as so corrected or supplemented is such as, in the reasonable judgment of the Original Purchaser, would materially adversely affect the market for the Bonds or the sale, at the contemplated offering price or prices (or yield or yields), by the Original Purchaser of the Bonds; or

(e) there shall occur any outbreak of hostilities or any regional, national or international calamity or crisis or a financial crisis and the effect is such as, in the reasonable judgment of the Original Purchaser, would materially adversely affect the market for or the marketability of the Bonds or obligations of the general character of the Bonds; or

(f) a general suspension of trading on the New York Stock Exchange is in force; or

(g) a general banking moratorium is declared by federal or state authorities; or

(h) there occurs any material adverse change in the affairs, operations or financial conditions of the Village, except as set forth or contemplated in the Limited Offering Memorandum or in the affairs; or

(i) the Limited Offering Memorandum is not executed, approved and delivered in accordance with Section 3 above; or

(j) in the reasonable judgment of the Original Purchaser, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be adversely affected because: (i) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, or (ii) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, underwriters; or

(k) a war involving the United States of America shall have been declared, or any conflict involving the armed forces of any country shall have escalated, or any other international, national or regional emergency relating to or affecting the effective operation of government or the financial community shall have occurred, which, in the reasonable judgment of the Original Purchaser, materially adversely affects the market for the Bonds or of obligations of the general character of the Bonds; or

(l) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way protesting or affecting any authority for or the validity of the Bonds, the Bond Ordinance, the existence or powers of the Village, or any event described or contemplated by the Limited Offering Memorandum; or

(m) there shall have occurred a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any Village or political subdivision of any state, the effect of which, in the reasonable judgment of the Original Purchaser, would materially adversely affect the ability of the Original Purchaser to market the Bonds.

7. **Conditions of Closing.** The Original Purchaser's obligation to purchase the Bonds under this Contract is subject to the performance by the Village of its obligations hereunder at and prior to the Closing Date, to the accuracy in the sole and absolute discretion of the Original Purchaser, of the representations and warranties of the Village contained herein as

of the Closing Date, and, in the sole and absolute discretion of the Original Purchaser, to the following conditions, including the delivery of such documents as are enumerated herein in form and substance satisfactory to the Original Purchaser and its counsel as of the Closing Date:

a. Ordinances in Effect and Village in Compliance Therewith. At the time of the Closing (i) the Bond Ordinance and the Establishing Ordinances shall be in full force and effect, and shall not have been amended, modified or supplemented since the date hereof, except as may have been agreed to in writing by the Original Purchaser, and the Village shall have duly adopted and there shall be in full force and effect such additional ordinances or agreements as shall be, in the opinion of Bond Counsel, necessary in connection with the transactions contemplated hereby and (ii) the Village shall perform or have performed all of its obligations required under or specified in this Contract with regard to the Bonds or the Bond Ordinance to be performed at, simultaneously with or prior to the Closing.

b. Opinions of Bond Counsel. The Original Purchaser shall have received a favorable approving legal opinion dated the Closing Date as to the Bonds, together with a reliance letter addressed to the Original Purchaser and the Village, from Ice Miller, Bond Counsel, satisfactory to the Original Purchaser in its sole and absolute discretion, together with a supplemental 10(b)5 opinion of Ice Miller.

c. Opinion of Developer's Counsel. The Original Purchaser shall have received a 10(b)5 opinion, dated the Closing Date and addressed to the Original Purchaser and the Village, from Ward, Murray, Pace & Johnson, P.C., counsel to the Developer, satisfactory to the Original Purchaser in its sole and absolute discretion.

d. Opinion of Village Counsel. The Original Purchaser shall have received a favorable opinion, dated the Closing Date and addressed to the Original Purchaser and the Village, from Kathleen Field Orr & Associates, special counsel to the Village, satisfactory to the Original Purchaser in its sole and absolute discretion.

e. Performance: No Default. The Village shall have performed and complied with all agreements and conditions herein required to be performed or complied with prior to or on the Closing Date, and at the time of the Closing no event of default or default shall have occurred and be continuing with respect to the Ancillary Agreements or the Bonds.

f. Ancillary Agreements. At the Closing Date, (i) all of the Ancillary Agreements shall be in full force and effect, shall have been duly executed and copies delivered to the Original Purchaser by, and shall constitute valid and binding agreements of, the parties thereto, shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Original Purchaser and there shall be no defaults or events of default thereunder and (ii) the proceeds of the sale of the Bonds shall be applied or deposited with the Trustee for application as described in the Bond Ordinance, the Indenture and the Limited Offering Memorandum.

g. Closing Certificate of President of the Village. The Village shall have delivered to the Original Purchaser a certificate dated the Closing Date, addressed to the Original Purchaser and the Trustee, signed by the President of the Village and in form and substance satisfactory to the Original Purchaser.

h. Closing Certificate of the Developer. The Developer shall have delivered to the Original Purchaser a certificate dated the Closing Date, addressed to the Original Purchaser, signed by an authorized manager of the Developer and in form and substance satisfactory to the Original Purchaser.

i. The Bonds. The Bonds shall have been duly authorized, executed, authenticated, delivered, and the proceeds from the sale thereof applied, in accordance with the provisions of the Bond Ordinance.

j. Trustee's Certificate. The Original Purchaser shall have received a certificate dated the Closing Date of an authorized officer of the Trustee, addressed to the Original Purchaser acceptable in form and substance to the Original Purchaser.

k. Specimen Bonds. The Original Purchaser shall have received specimen Bonds.

l. Certified Copy of Bond Ordinance. The Original Purchaser shall have received a certified copy of the Bond Ordinance. The Bond Ordinance shall include authorization for execution and delivery of this Contract.

m. Certified Copy of Redevelopment Agreement. The Original Purchaser shall have received a certified copy of the fully executed Redevelopment Agreement.

n. Estimate of Incremental Property Taxes. The Original Purchaser shall have received a copy of the Estimate of Incremental Property Taxes prepared by Kane, McKenna Capital, Inc. (the "*TIF Consultant*") and substantially in the form attached to the Limited Offering Memorandum (the "*Estimate of Incremental Property Taxes*").

o. Consent of TIF Consultant. The Original Purchaser shall have received from the TIF Consultant a letter dated the Closing Date, addressed to the Original Purchaser regarding the TIF Consultant's qualifications and the TIF Consultant's consent to the inclusion of the Estimate of Incremental Property Taxes in the Limited Offering Memorandum.

p. Additional Opinions Certificates, etc. The Original Purchaser shall have received such additional legal opinions, certificates, proceedings, instruments and other documents as the Original Purchaser, the Village or their respective counsel or Bond Counsel may deem necessary or desirable.

All of the opinions, letters, certificates, instruments and other documents mentioned in this Contract shall be deemed to be in compliance with the provisions of this Contract only if in the sole and absolute judgment of the Original Purchaser, they are satisfactory in form and substance.

If there shall be a failure to satisfy the conditions of the Original Purchaser's obligations contained in this Contract or if the Original Purchaser's obligations to purchase the Bonds shall be terminated for any reason permitted by this Contract, this Contract shall terminate, and the Original Purchaser, the Village shall not have any further obligations hereunder, except for the obligations set forth in Section 9 hereof which shall remain in full force and effect.

8. **Changes Affecting the Limited Offering Memorandum.** At any time prior to the Closing, the Village agrees to supplement or amend the Limited Offering Memorandum whenever requested by the Original Purchaser when, in the reasonable judgment of the Original Purchaser, such supplement or amendment is required. No amendment or supplement to the Limited Offering Memorandum shall be made without the approval of the Original Purchaser. After the Closing and so long as the Original Purchaser or any participating dealer shall be offering Bonds, but not later than 25 days after the "end of the underwriting period" (as defined below) if any event shall occur as a result of which it is necessary to amend or supplement the Limited Offering Memorandum in order to make the statements therein, in light of the circumstances under which they are made, not misleading, the Village will so advise the Original Purchaser. In any such case, the Village shall cooperate in the preparation, execution and delivery of either amendments to the Limited Offering Memorandum or supplemental information so that the statements in the Limited Offering Memorandum, as so amended or supplemented will not, in light of the circumstances under which such statements were made, be misleading. The cost of providing such amendments or supplements shall be paid by the Village. For purposes of this Contract, the term "end of the underwriting period" shall mean the later of the date of Closing or the date on which an Underwriter no longer retains an unsold balance of the Bonds for sale to the public.

9. **Payment of Expenses.** The Original Purchaser shall be under no obligation to pay any expenses incident to the issuance of the Bonds other than the Original Purchaser's obligation to pay its direct expenses incurred by it in connection with the offering and distribution of the Bonds. All other fees, costs and expenses associated with the issuance of the Bonds, including without limitation, the fees and disbursements of the Original Purchaser's legal counsel, Arnstein & Lehr LLP, shall be disbursed and paid by the Trustee from the proceeds of the Bonds.

10. **Notices.** Except as otherwise provided in this Contract, whenever notice is required to be given pursuant to the provisions of this Contract, such notice shall be in writing and shall be mailed by first class mail postage prepaid.

11. **Law Governing.** This Contract shall be construed in accordance with and governed by the laws of the State of Illinois.

12. **Headings.** The headings of the paragraphs and subparagraphs of this Contract are inserted for convenience only and shall not be deemed to constitute a part of this Contract.

13. **Counterparts.** This Contract may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

14. **Parties and Interests.** This Contract is made solely for the benefit of the Village and the Original Purchaser, including the successors and assigns of the Original Purchaser, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof.

15. **Amendment or Assignment.** This Contract may not be amended except through the written consent of all of the parties hereto and is not assignable.

16. **Survival of Representations, Warranties, Agreements and Obligations.** Each respective representation, warranty and agreement of the Village and the Original Purchaser shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Original Purchaser and the Village and shall survive the Closing. This Section 16 and the obligations of the Village under Sections 8 and 9 hereof shall survive any termination of this Contract pursuant to its terms.

17. **Further Financial Reports.** The Village agrees to provide the financial reports and information described in the Indenture which it has covenanted to provide to the Trustee, to the Original Purchaser and any Bondholder upon written request.

18. **Severability.** If any provision of this Contract shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all cases because it conflicts with any other provision or provisions of any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections in this Contract shall not affect the validity of the remaining portions of this Contract, or any part hereof.

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Very truly yours,

WILLIAM BLAIR & COMPANY, L.L.C.

By: _____

Its: _____

Accepted and agreed to by the
undersigned as of the date first above
written.

**VILLAGE OF EAST DUNDEE, KANE AND
COOK COUNTIES, ILLINOIS**

By: _____

Its: _____

APPENDIX A

VILLAGE OF EAST DUNDEE, KANE AND COOK COUNTIES, ILLINOIS
LIMITED OBLIGATION TAX INCREMENT REVENUE BONDS, SERIES 2012
(ROUTE 25 SOUTH REDEVELOPMENT PROJECT)

1. Principal amount: \$_____
2. Dated: November __, 2012
3. Maturity Date, Amount, Interest Rate, Yield, Price and CUSIP:

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u>
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CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this "**Agreement**") dated as of November 1, 2012, by the **VILLAGE OF EAST DUNDEE, KANE AND COOK COUNTIES, ILLINOIS** (the "**Village**"), in connection with the issuance by the Village of its \$6,675,000 Limited Obligation Tax Increment Revenue Bonds, Series 2012 (Route 25 South Redevelopment Project) (the "**Bonds**").

The Bonds will be issued by the Village pursuant to (i) the Tax Increment Allocation Redevelopment Act of the State of Illinois, Division 74.4 of Article 11 of the Illinois Municipal Code, 65 ILCS 5/11-74.4-1 *et seq.*, as amended and supplemented from time to time; (ii) an ordinance duly adopted by the President and Board of Trustees of the Village on November 5, 2012 (the "**Bond Ordinance**"); (iii) the Local Government Debt Reform Act of the State of Illinois, 30 ILCS 350/1 *et seq.*; and (iv) the Trust Indenture dated as of November 1, 2012 (the "**Indenture**") between the Village and Amalgamated Bank of Chicago, as Trustee (the "**Trustee**").

1. **Purpose of the Agreement.** This Agreement is being executed and delivered by the Village for the benefit of the beneficial owners of the Bonds (the "**Beneficial Owners**").

2. **Definitions.** Initially capitalized terms used but not otherwise defined in this Agreement have the same meanings given them in the Limited Offering Memorandum dated November __, 2012, relating to the Bonds.

3. **Provision of Information by the Village.** The Village (i) on or before one hundred eighty (180) days after the end of each fiscal year of the Village or as soon thereafter as the audited financial statements of the Village become available while any Bonds remain outstanding, shall provide to William Blair & Company LLC, as the underwriter of the Bonds (the "**Underwriter**") an annual audit of the Special Tax Allocation Fund of each of the Redevelopment Project Areas; and (ii) on or before June 1 of each year, shall provide to the Underwriter the equalized assessed value of each parcel of property in the Redevelopment Project Areas and the applicable tax rates and total incremental property taxes levied for each of the Redevelopment Project Areas.

4. **Material Events.** The Village shall disclose the following events, in a timely manner within ten (10) business days of the occurrence of any of the following events, if material (which determination of materiality shall be made by the Village in accordance with the standards established by federal securities laws), to the Municipal Securities Rulemaking Board (the "**MSRB**"):

- (a) non-payment related defaults;
- (b) modifications to rights of Bondholders;
- (c) bond calls;
- (d) release, substitution or sale of property securing repayment of the Bonds;
- (e) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing; and

- (f) appointment of a successor or additional trustee or the change of name of a trustee.

The Village shall disclose the following events, in a timely manner within 10 business days of the occurrence of any of the following events, regardless of materiality, to the MSRB:

- (a) principal and interest payment delinquencies;
- (b) unscheduled draws on debt service reserves reflecting financial difficulties;
- (c) unscheduled draws on credit enhancements reflecting financial difficulties;
- (d) substitution of credit or liquidity providers, or their failure to perform;
- (e) defeasances;
- (f) rating changes;
- (g) adverse tax opinions or other material events affecting the tax exempt status of the Bonds; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the securities;
- (h) tender offers; and
- (i) bankruptcy, insolvency, receivership or similar event of the obligated person.

5. **Provision of Information by the Village.** Upon the request of any Beneficial Owner or the Underwriter, the Village shall provide any information described in the preceding Sections 3 and 4, plus account statements showing the balance and activity of the Trustee-held funds and accounts.

6. **Termination of Reporting Obligation.** The obligations under this Agreement will terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

7. **Additional Information.** Nothing in this Agreement shall be deemed to prevent the Village from disseminating any other information using the means of dissemination set forth in this Agreement or any other means of communication in addition to that which is required by this Agreement.

8. **Rule 15c2-12 Exemption.** The Village acknowledges and agrees that: (a) the Bonds are being initially issued in authorized denominations of \$100,000 or integral multiples of \$5,000 in excess thereof and are being offered to less than thirty-five (35) institutional investors; (b) therefore, the Bonds will be exempt from the continuing disclosure requirements of Rule 15c2-12 (the "***Rule***") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended; and (c) notwithstanding such exemption from the Rule, the Village will provide the information required under this Agreement and perform its obligations hereunder.

9. **Beneficiaries.** This Agreement shall inure solely to the benefit of the Beneficial Owners and the Underwriter and shall create no rights in any other person or entity.

10. **Dissemination Agent; Other Methods of Disclosure.** The Village may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations

under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

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[Execution Page to Continuing Disclosure Agreement]

**VILLAGE OF EAST DUNDEE, KANE AND COOK
COUNTIES, ILLINOIS**, a non-home rule unit of local
government

By: _____
Village President

October __, 2012



REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

This Limited Offering Memorandum is being furnished by the Village of East Dundee, Kane and Cook Counties, Illinois (the "*Village*") to a limited number (35 or less) of sophisticated investors or registered investment companies under the Investment Company Act of 1940 solely for the purpose of each investor's consideration of the purchase of the Bonds described herein, and is not to be used for any other purpose or made available to anyone not directly concerned with the decision regarding such purchase. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. Interested investors are being provided the opportunity to ask such questions and examine such documents and records as they may desire, and are advised to contact the Underwriter to secure further information concerning the Bonds.

No dealer, broker, salesperson or other person has been authorized by the Village, Kane, McKenna Capital, Inc. (the "*Financial Advisor*") or William Blair & Company, L.L.C. (the "*Underwriter*") to give any information or to make any representations in connection with the offering of the Bonds, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized. In accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction, the Underwriter has reviewed the information in this Limited Offering Memorandum, but does not guarantee the accuracy or completeness of such information. Neither the delivery of this Limited Offering Memorandum nor the sale of any of the Bonds shall imply that the information herein is correct as of any time subsequent to the date hereof.

This Limited Offering Memorandum should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Limited Offering Memorandum. Where statutes, resolutions, ordinances, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, ordinances, reports or other documents for more complete information regarding the rights and obligations of the parties thereto, the facts and opinions contained therein and the subject matter thereof.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR RESPECTIVE AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE BONDS HAVE RISK CHARACTERISTICS WHICH REQUIRE CAREFUL ANALYSIS AND CONSIDERATION BEFORE A DECISION TO PURCHASE IS MADE. THE BONDS SHOULD BE PURCHASED BY INVESTORS WHO HAVE ADEQUATE EXPERIENCE TO EVALUATE THE MERITS AND RISKS OF THE BONDS. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS LIMITED OFFERING MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE UNDERWRITER, ITS AFFILIATES, OFFICERS AND EMPLOYEES OR ANY PROFESSIONAL ASSOCIATED WITH THIS OFFERING AS INVESTMENT OR LEGAL ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS

OWN COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO FINANCIAL, LEGAL AND RELATED MATTERS CONCERNING THE INVESTMENT DESCRIBED HEREIN.

**CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING
STATEMENTS IN THIS LIMITED OFFERING MEMORANDUM**

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "believe," "expect," "estimate," "anticipate," "intend," "projected," "budget," "could," or other similar words. Additionally, all statements in this Limited Offering Memorandum, including forward-looking statements, speak only as of the date they are made, and none of the Developer (as hereinafter defined), the Village, the Financial Advisor or the Underwriter undertakes any obligation to update any statement in light of new information or future events.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE VILLAGE, THE DEVELOPER, THE FINANCIAL ADVISOR, THE UNDERWRITER NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS, OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR.

**VILLAGE OF EAST DUNDEE
KANE AND COOK COUNTIES, ILLINOIS**

120 Barrington Avenue
East Dundee, IL 60118

VILLAGE PRESIDENT

Jerald Bartels⁽¹⁾
(President since 2005)

VILLAGE TRUSTEES

<u>Trustee</u>	First Elected or Appointed to <u>Office</u>	Current Term <u>Expires</u>	<u>Trustee</u>	First Elected or Appointed to <u>Office</u>	Current Term <u>Expires</u>
Michael Ruffulo	2001	2015	Robert Gorman	2009	2013
Jeff Lynam	2007	2015	Allen Skillicorn	2011	2015
Lael Miller	2009	2013	Paul VanOstenbridge	2002 ⁽²⁾	2013

VILLAGE CLERK

Jennifer Rehberg
(Clerk since 2009⁽³⁾)

VILLAGE ADMINISTRATOR

Robert Skurla

FINANCE DIRECTOR

Linda Blackerby

SPECIAL COUNSEL TO THE VILLAGE

Kathleen Field Orr & Associates
Chicago, Illinois

FINANCIAL ADVISOR

Kane, McKenna Capital Inc.
Chicago, Illinois

BOND COUNSEL

Ice Miller LLP
Chicago, Illinois

⁽¹⁾Village Trustee from April, 2001 through April, 2005

⁽²⁾Appointed October, 2002

⁽³⁾Appointed in 2009, elected in 2011

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\$6,675,000*
Village of East Dundee
Kane and Cook Counties, Illinois
Limited Obligation Tax Increment Revenue Bonds,
Series 2012 (Route 25 South Redevelopment Project)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and the Appendices hereto and made a part hereof, is to set forth information in connection with the offering by the Village of East Dundee, Kane and Cook Counties, Illinois (the "*Village*"), of its \$6,675,000* Limited Obligation Tax Increment Revenue Bonds, Series 2012 (Route 25 South Redevelopment Project) (the "*Bonds*").

The Bonds are limited obligations of the Village payable from (i) Pledged Revenues (as defined herein), (ii) the amounts on deposit in and to the credit of certain funds and accounts of the Village, all in the priority of lien and as provided in the Trust Indenture dated as of November 1, 2012 (the "*Indenture*"), by and between the Village and Amalgamated Bank of Chicago (the "*Trustee*"), and (iii) any and all other moneys, securities and property furnished from time to time to the Trustee under the terms of the Indenture and specifically pledged for the payment of the Bonds. See "SECURITY FOR THE BONDS."

Capitalized terms used herein without definition shall have the meanings accorded such terms in the Bond Ordinance (as hereinafter defined) and the Indenture (together, the "*Bond Documents*"), copies of which are attached hereto as APPENDICES C and D, respectively.

The Village is a home rule unit of government pursuant to Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the "*1970 Constitution*"). The Village occupies approximately 3.0 square miles located in Dundee Township in Kane County and Barrington Township in Cook County, Illinois, and is located approximately 35 miles west of downtown Chicago. See "THE VILLAGE."

The proceeds of the Bonds will be used to (i) fund certain public improvements approved within the Route 25 South Redevelopment Project Area (the "*Route 25 South Redevelopment Project Area*") by the Village, including water and sewer improvements; (ii) fund certain rehabilitation expenses with respect to the existing approximately 23,000 square foot building (the "*Existing Building*") located on the real property owned by GAT Properties, LLC, an Illinois limited liability company (the "*Developer*"), within the Route 25 South Redevelopment Project Area; (iii) fund capitalized interest through June 1, 2013; (iv) fund a Debt Service Reserve equal to the Debt Service Reserve Requirement (as hereinafter defined); and (v) pay costs of issuance. In order to provide for the implementation of the improvements within a portion of the Route 25 South Redevelopment Project Area consisting of the Gat Guns Property (as hereinafter defined), the Village has entered into a Redevelopment Agreement, dated October 29, 2012, between the Village and the Developer (the "*Redevelopment Agreement*"). See "THE ROUTE 25 SOUTH REDEVELOPMENT PROJECT AREA".

All references herein to laws, agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the Bonds are further qualified by reference to the information with respect thereto contained in the Bond Documents. Copies of the Bond Documents are attached hereto as APPENDICES C and D, and are available for inspection at the office of the Village Clerk, East Dundee, Illinois. All statements, information and statistics herein are believed to be correct but are not guaranteed by the Underwriter, the Financial Advisor or the Village, and all expressions of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact. The information contained herein is provided as of the date hereof and is subject to change.

*preliminary, subject to change

THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION OR LIMITATION. NO HOLDER OF ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL THEREOF OR INTEREST OR PREMIUM, IF ANY, THEREON.

Included as Appendices to this Limited Offering Memorandum are a copy of the Estimate of Incremental Property Taxes, the form of the opinion of Bond Counsel to be delivered with respect to the Bonds and forms of the Bond Ordinance, the Indenture and the Continuing Disclosure Agreement.

THE BONDS

Authorization

The Bonds are being issued pursuant to the provisions of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*) (the "*Act*"), and all laws amendatory and supplemental to the Act, the Local Government Debt Reform Act, as amended, the Indenture and a bond ordinance (the "*Bond Ordinance*") adopted by the President and Board of Trustees of the Village (the "*Board*") on November 5, 2012.

Description

The Bonds will be dated as of the date of issuance (the "*Dated Date*") and will mature as set forth on the cover page hereof. The Bonds will bear interest from the Dated Date, payable semiannually on each December 1 and June 1 (each, an "*Interest Payment Date*"), commencing on June 1, 2013, at the rate or rates set forth on the cover page hereof. Each Bond will bear interest from the later of its Dated Date or the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid or duly provided for. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Trustee will serve as bond registrar and paying agent for the Bonds as well as Trustee under the Indenture.

The Bonds will be issued only as fully registered bonds in denominations of \$100,000 or integral multiples of \$5,000 in excess of \$100,000. The Bonds will be initially registered through a book-entry only system operated by The Depository Trust Company, New York, New York ("*DTC*"), which will act as securities depository for the Bonds. The Bonds will be initially registered in the name of Cede & Co., as registered owner and nominee of DTC. Purchasers of the Bonds will not receive physical delivery of the bond certificates representing their beneficial ownership interests. Details of payments of the Bonds and the book-entry only system are described below under "BOOK-ENTRY ONLY SYSTEM."

As provided in the Bond Documents and subject to certain limitations and payment of certain taxes or other governmental charges set forth in the Bond Documents, the Bonds are transferable or exchangeable by the registered owner at the principal office maintained for the purpose by the Trustee after notice of the redemption of all or a portion thereof has been mailed. The Trustee shall not be required to transfer or exchange any Bond during a period of 15 days next preceding the mailing of a notice of redemption which could designate for redemption all or a portion of such Bond nor during the period of 15 days next preceding any Interest Payment Date.

Principal of and redemption premium, if any, on the Bonds will be payable only upon presentation and surrender when due at the principal office maintained for the purpose by the Trustee. Interest on each Bond will be payable on each Interest Payment Date to the person in whose name the Bond is registered in the Bond Register, at the close of business on the 15th day of the month preceding

any regularly scheduled interest payment date. Interest will be paid by check or draft mailed to such registered owner at such registered owner's address as it appears in the Bond Register.

Mandatory Sinking Fund Redemption

The Bonds are subject to mandatory sinking fund redemption and payment at maturity at a price of par plus accrued interest to the date of redemption, without premium, to the extent set forth in the Indenture, on December 1, of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
2013	\$190,000
2014	195,000
2015	265,000
2016	295,000
2017	330,000
2018	365,000
2019	400,000
2020	440,000
2021	505,000
2022	560,000
2023	615,000
2024	660,000
2025	175,000
2026	200,000
2027	220,000
2028	340,000
2029	380,000
2030	425,000
2031†	100,000

† Final maturity

If the Village redeems Bonds pursuant to optional redemption as described below, or otherwise purchases Bonds as permitted in the Indenture and cancels the same, then an amount equal to the principal amount of the Bonds so redeemed or purchased will be deducted from the mandatory sinking fund redemption requirement for such Bonds in any order of years of such requirement as then remaining as the Village determines. The Village is required to provide the Trustee with written notice of such reduction or purchase, and the Trustee must promptly give written notice of the same to the Bondholders.

Extraordinary Mandatory Redemption

The Bonds are subject to extraordinary mandatory redemption on any date at the direction of the Village, in whole or in part, from available moneys transferred to the Special Redemption Account from the Project Fund and the Reserve Fund (as said terms are hereinafter defined), and if in part by lot, at a redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, but only in the event that moneys in the Project Fund have not been expended to pay or reimburse the Village for the payment of, eligible Project Costs for the Project by November 15, 2015.

The Bonds are also subject to extraordinary mandatory redemption, on any date, at a redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, at the direction of the Village, in whole or in part, from available moneys deposited to the Special Redemption Account from the proceeds of any condemnation of the improvements funded with the proceeds of the Bonds by any governmental entity.

Any such extraordinary mandatory redemption of the Bonds will be applied, to the extent possible, to reduce pro rata the amount of the Bonds required to be redeemed by mandatory sinking fund redemption and so as to maintain the proportion of principal maturing in each year to the total original principal amount of the Bonds and if such prepayment amount is insufficient to apply pro rata, then in such order and among maturities or sinking fund installments as directed by the Village.

Optional Redemption

The Bonds are subject to optional redemption prior to maturity at the option of the Village, in whole or in part, and if in part by lot, on December 1, 2021, and any date thereafter, on the dates and at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, without premium, together with accrued interest, if any, to the redemption date.

Additional Bonds

The Village may issue Additional Bonds pursuant to a supplemental indenture which would rank on a parity to the Bonds for any purposes authorized in the Redevelopment Plan relating to the Route 25 South Redevelopment Project Area. Additional Bonds shall have interest payable on December 1 and June 1 and shall have principal payable on December 1 as set forth in the supplemental indenture. At the time of delivery of the Additional Bonds, the Reserve Fund for the Bonds and Additional Bonds shall be fully funded at a level equal to the maximum amount allowed by the Code (as hereinafter defined) and the regulations thereunder for a reasonably required reserve fund for the Bonds plus the Additional Bonds.

The Trustee shall authenticate and deliver the Additional Bonds when there has been filed with it the following:

- (a) A copy certified by the Village of the ordinance authorizing (1) the execution and delivery of the supplemental indenture, and (2) the issuance, sale, execution and delivery of the Additional Bonds;
- (b) An original executed counterpart of the supplemental indenture;
- (c) An opinion or opinions of Bond Counsel, addressed to the Village and the Trustee, to the effect that the supplemental indenture and the Additional Bonds have each been validly authorized, are binding and enforceable against the Village, subject to bankruptcy and equitable principles, and that the issuance of the Additional Bonds has been duly authorized;
- (d) A request and authorization of the Village to the Trustee to authenticate and deliver the Additional Bonds to such person or persons named therein upon payment for the account of the Village of a specified sum plus accrued interest to the date of delivery;
- (e) An opinion or opinions of Bond Counsel, addressed to the Village and the Trustee, to the effect that the issuance of the Additional Bonds will not have an impact on the tax status of interest on the Bonds; and

(f) A report prepared by an independent third party who is knowledgeable as to how tax increment is calculated which demonstrates that the anticipated Pledged Revenues are forecasted to equal at least 1.75 times debt service on Outstanding Bonds and the proposed Additional Bonds.

Simultaneously with the delivery of the Additional Bonds, the Trustee shall apply, or arrange for the application of, the proceeds thereof in accordance with the supplemental indenture.

BOOK-ENTRY ONLY SYSTEM

THE INFORMATION PROVIDED IMMEDIATELY BELOW CONCERNING DTC AND THE BOOK-ENTRY ONLY SYSTEM, AS IT CURRENTLY EXISTS, IS BASED SOLELY ON INFORMATION PROVIDED BY DTC AND IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY, THE UNDERWRITER, THE FINANCIAL ADVISOR OR THE VILLAGE.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, as amended, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of the Bonds ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to issuers as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer or its agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, or the Village nor any agent of the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Village or its agent. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered as described in the Indenture.

The information provided immediately above concerning DTC and the DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

NEITHER THE VILLAGE, THE UNDERWRITER, THE FINANCIAL ADVISOR NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT

PARTICIPANTS OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM ON THE BONDS; (3) THE DELIVERY BY ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

SOURCES AND USES OF FUNDS

Sources:

Bond Proceeds	\$ 6,675,000
Total Sources	<u>\$6,675,000</u>

Uses:

Project Fund	\$5,550,000
Reserve Fund	667,500
Capitalized Interest Account	209,000
Program Expense Account	<u>248,500</u>
Total Uses	<u>\$6,675,000</u>

SECURITY FOR THE BONDS

The Bonds represent limited obligations of the Village, and the principal of, premium, if any, and interest on the Bonds are payable solely and only from (i) the Pledged Revenues, subject to and reduced by amounts needed to satisfy the Priority Lien (as hereinafter defined), (ii) the amounts on deposit in and pledged to certain of the funds and accounts created pursuant to the Indenture, and (iii) any and all other moneys, securities and property furnished from time to time to the Trustee by the Village or on behalf of the Village or by any other Persons to be held by the Trustee under the terms of the Indenture and specifically pledged for the payment of the Bonds.

The "Pledged Revenues" under the Indenture include, subject to and reduced by amounts needed to satisfy the Priority Lien, the following: (i) the "Route 25 Incremental Property Taxes" (as hereinafter defined) received by the Village in each Calendar Year commencing with Calendar Year 2013 for property taxes levied in Calendar Year 2013, (ii) the "Prairie Lakes Incremental Property Taxes" (as hereinafter defined) received by the Village in each Calendar Year commencing with Calendar Year 2013 for taxes levied in Calendar Year 2012, (iii) the "Downtown TIF Incremental Property Taxes" (as hereinafter defined) received by the Village in each Calendar Year commencing with Calendar Year 2013 for property taxes levied in Calendar Year 2012, and (iv) the "Route 25 South Incremental Property Taxes" (as hereinafter defined) received by the Village in each Calendar Year commencing with Calendar Year 2013 for property taxes levied in Calendar Year 2012.

The "*Route 25 Incremental Property Taxes*" means 100% of the ad valorem taxes, if any, arising from the taxes levied upon the taxable real property in the "Route 25 Redevelopment Project Area" (as

hereinafter defined) by any and all taxing districts or municipal corporations having the power to tax real property in the Route 25 Redevelopment Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Route 25 Redevelopment Project Area over and above the total Initial Equalized Assessed Value of property located in the Route 25 Redevelopment Project Area. The Route 25 Incremental Property Taxes are paid to the Treasurer by the officers who collect or receive the Route 25 Incremental Property Taxes and deposited into the 2006 Route 25 Redevelopment Project Area Special Tax Allocation Fund (as hereinafter defined). See "THE ROUTE 25 REDEVELOPMENT PROJECT AREA".

The "*Prairie Lakes Incremental Property Taxes*" means 100% of the ad valorem taxes, if any, arising from the taxes levied upon the taxable real property in the "Prairie Lakes Redevelopment Project Area" (as hereinafter defined) by any and all taxing districts or municipal corporations having the power to tax real property in the Prairie Lakes Redevelopment Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Prairie Lakes Redevelopment Project Area over and above the total Initial Equalized Assessed Value of property located in the Prairie Lakes Redevelopment Project Area. The Prairie Lakes Incremental Property Taxes are paid to the Treasurer by the officers who collect or receive the Prairie Lakes Incremental Property Taxes and deposited into the 2000 Prairie Lakes Redevelopment Project Area Special Tax Allocation Fund (as hereinafter defined). See "THE PRAIRIE LAKES REDEVELOPMENT PROJECT AREA".

The "*Downtown TIF Incremental Property Taxes*" means 100% of the ad valorem taxes, if any, arising from the taxes levied upon the taxable real property in the "Downtown TIF Redevelopment Project Area" (as hereinafter defined) by any and all taxing districts or municipal corporations having the power to tax real property in the Downtown TIF Redevelopment Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Downtown TIF Redevelopment Project Area over and above the total Initial Equalized Assessed Value of property located in the Downtown TIF Redevelopment Project Area. The Downtown TIF Incremental Property Taxes are paid to the Treasurer by the officers who collect or receive the Downtown TIF Incremental Property Taxes and deposited into the Village of East Dundee Downtown Tax Increment Redevelopment Project Area Special Tax Allocation Account (as hereinafter defined). See "THE DOWNTOWN TIF REDEVELOPMENT PROJECT AREA".

The "*Route 25 South Incremental Property Taxes*" means 100% of the ad valorem taxes, if any, arising from the taxes levied upon the taxable real property in the Route 25 South Redevelopment Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Route 25 South Redevelopment Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Route 25 South Redevelopment Project Area over and above the total Initial Equalized Assessed Value of each such piece of property located in the Route 25 South Redevelopment Project Area. The Route 25 South Incremental Property Taxes are paid to the Treasurer by the officers who collect or receive the Route 25 Incremental Property Taxes and deposited into the Route 25 South Redevelopment Project Area Special Tax Allocation Fund (as hereinafter defined). See "THE ROUTE 25 SOUTH REDEVELOPMENT PROJECT AREA".

The Route 25 Incremental Property Taxes, the Prairie Lakes Incremental Property Taxes, the Downtown TIF Incremental Property Taxes and the Route 25 South Incremental Property Taxes are hereinafter collectively referred to as the "*Incremental Property Taxes*". The 2006 Route 25 Redevelopment Project Area Special Tax Allocation Fund, the 2000 Prairie Lakes Redevelopment Project Area Special Tax Allocation Fund and the Village of East Dundee Downtown Tax Increment Redevelopment Project Area Special Tax Allocation Account are hereinafter collectively referred to as the "*Special Tax Allocation Funds of the Contiguous Redevelopment Project Areas*". The Route 25

Redevelopment Project Area, the Prairie Lakes Redevelopment Project Area, the Downtown TIF Redevelopment Project Area and the Route 25 South Redevelopment Project Area are hereinafter collectively referred to as the "*Redevelopment Project Areas*".

A map of the Redevelopment Project Areas is attached hereto as APPENDIX F.

The Redevelopment Project Areas currently consist primarily of various housing, retail, industrial and other commercial properties on the tax parcels listed in Exhibit A attached to the Estimate of Incremental Property Taxes (the "*Existing Development*"). The Project and the River Haven Development (as hereinafter defined) are hereinafter collectively referred to as the "*Proposed Development*".

The Incremental Property Taxes received by the Village each year shall be subject to and reduced by amounts needed to satisfy the Priority Lien. The "*Priority Lien*" means the pledge of and lien on a portion of the Incremental Property Taxes pursuant to the Pal Land Development Agreement, the Made to Measure Redevelopment Agreement and the 7 Hills Redevelopment Agreement (as said terms are hereinafter defined). See "THE ROUTE 25 REDEVELOPMENT PROJECT AREA" and "THE DOWNTOWN TIF REDEVELOPMENT PROJECT AREA".

The Village has previously issued its (i) \$4,865,000 General Obligation Bonds, Series 2012A, and (ii) \$2,360,000 Taxable General Obligation Bonds, Series 2012B (collectively, the "*Prior Bonds*") pursuant to Ordinance No. 12-05 passed by the Board on February 20, 2012 (the "*Prior Bond Ordinance*"). The Prior Bonds are general obligations of the Village, payable both as to principal and interest from ad valorem taxes levied against all taxable property within the Village. The Prior Bond Ordinance provides that the Village may, at its discretion, use Incremental Property Taxes to pay debt service on the Prior Bonds. However, the Indenture relating to the Bonds provides that the lien of the Bonds with respect to the Pledged Revenues is prior and senior to any other obligation of the Village (including the obligations evidenced by the Prior Bonds).

THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION OR LIMITATION. NO HOLDER OF ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL THEREOF OR INTEREST OR PREMIUM, IF ANY, THEREON.

PLAN OF FINANCE AND FLOW OF FUNDS

Project Fund

The Village has established a Project Fund under the Indenture into which will be deposited the amounts set forth under "Estimated Sources and Uses" herein. Amounts deposited into the Project Fund will be applied upon receipt of a written requisition in the form attached to the Indenture and executed by the Village Administrator and an officer of the Developer to pay the costs of the Project.

The completion of the Project to be paid for from the Project Fund will be evidenced by a certificate of the Village Administrator, which certificate will be filed promptly with the Trustee, stating the date of such completion and the amount, if any, required in the opinion of the signer of such certificate for the payment of any remaining part of the cost of the Project. Upon the filing of such certificate evidencing the completion of the Project to be paid from amounts on deposit in the Project Fund, the balance in said Fund in excess of the amount, if any, stated in such certificate of the Village will be applied by the Trustee in the following order of priority: (i) to the Reserve Fund, to the extent necessary to cause the amount on deposit in the Reserve Fund to equal the amount of \$672,500 (as may be reduced as hereinafter described, the "*Debt Service Reserve Requirement*"); and (ii) to the Special

Redemption Account to be used to effect an extraordinary mandatory redemption of the Bonds. To the extent any money remains on deposit in the Project Fund on or after November 15, 2015, the Trustee will transfer such amount to the Special Redemption Account to be used to effect an extraordinary mandatory redemption of the Bonds or, in the event the amount transferred or the amount remaining after any redemption is less than an Authorized Denomination, to pay the next scheduled principal and interest due on the Bonds, unless the Village delivers to the Trustee a schedule setting forth additional municipal improvements to be financed with such proceeds and a an opinion signed by an attorney or firm of attorney of recognized standing in the area of law to which such opinion relates to the effect that the retention of such payments in the Project Fund will not adversely affect the tax exempt status of interest on the Bonds for federal income tax purposes.

Flow of Funds

The Indenture details the flow of funds for the Pledged Revenues. The form of the Indenture is attached hereto as APPENDIX D. The following is a summary of the flow of funds for the Pledged Revenues as set forth in the Indenture. Pursuant to the Indenture, the Village created and established a separate segregated account within the Route 25 South Redevelopment Project Area Special Tax Allocation Fund to be known as the "*Incremental Taxes Account*". All of the Incremental Property Taxes collected on and after the date of issuance of the Bonds shall be set aside as collected and be promptly deposited by the Treasurer in the Incremental Taxes Account of the Route 25 South Redevelopment Project Area Special Tax Allocation Fund and the respective "*Incremental Taxes Account*" of each of the Special Tax Allocation Funds of the Contiguous Redevelopment Project Areas. On or prior to November 15 of each year the Treasurer shall determine the amount of the Incremental Property Taxes received by the Village for such year and shall transfer the lesser of (i) the sum of Annual Debt Service Requirements (as hereinafter defined) for the following year and Program Expenses, or (ii) Incremental Property Taxes received for deposit to the Revenue Fund to be applied as set forth in the Indenture. As used herein, "*Annual Debt Service Requirement*" means, with respect to any calendar year, the aggregate of the interest and the principal, including sinking fund installments, owing on such Bonds for such calendar year. The Village has the discretion to choose and transfer Incremental Property Taxes from any or all of the Redevelopment Project Areas as determined by the Village Manager without further Village action.

Moneys deposited by the Village with the Trustee into the Revenue Fund will be transferred by the Trustee on or before December 1 of each year from all available moneys in the Incremental Tax Account, until such amounts are depleted, to be applied as follows in the order of priority set forth below:

(a) *Program Expenses Account.* The Trustee will credit to and will deposit into the "Program Expenses Account" contained within the Bond Fund under the Indenture an amount of Pledged Revenues sufficient to pay the administrative expenses related to or incurred in connection with the Bonds and the Redevelopment Project Areas (as further described in the Indenture, the "*Program Expenses*"), if any, for the next succeeding calendar year in an amount not to exceed the amount of \$10,000 increased by the amount of \$10,000 multiplied by the percentage increase, if any, of the Consumer Price Index for All Urban Consumers as published by the United States Department of Labor as of November 15 of the current calendar year as compared with such Consumer Price Index of the Dated Date. The Village will, no later than the Dated Date and no later than November 1 of each year, commencing November 1, 2013, provide to the Trustee information, calculations or estimates of Program Expenses for the next succeeding calendar year, and the Trustee may reasonably rely upon such information, calculations or estimates of such Program Expenses as necessary to determine the proper amount of such deposit into the Program Expenses Account. Amounts on deposit in the Program Expenses Account are not pledged to payment of the Bonds.

(b) *Principal and Interest Account; Capitalized Interest Account.* The Trustee will next transfer the Pledged Revenues into the "Principal and Interest Account" contained within the Bond Fund

under the Indenture in an amount sufficient to pay the principal of and interest on all Outstanding Bonds coming due during the next succeeding calendar year, which amount will be set aside in the Principal and Interest Account for such purpose. Such moneys will be used solely and only for the purpose of paying principal of, redemption premium, if any, and interest on the Bonds, as the same become due whether at maturity or upon mandatory redemption. Any capitalized interest received upon the sale of the Bonds will be deposited to and held in the "Capitalized Interest Account" contained within the Bond Fund under the Indenture and will be used to pay interest coming due on the Bonds through June 1, 2013, prior to applying any other moneys for that purpose.

(c) *Reserve Fund.* The Trustee will next transfer the Pledged Revenues into the Reserve Fund until such account aggregates the Debt Service Reserve Requirement for the Bonds, and thereafter no such payments will be made into the Reserve Fund, except that when any money is paid out of the Reserve Fund payments will be resumed and continued until the Reserve Fund has been restored to an aggregate amount equal to the Debt Service Reserve Requirement. The Trustee will value the investments in the Reserve Fund, if any, on or before December 1 and June 1 of each year, commencing June 1, 2013, and will transfer any amount in excess of the Debt Service Reserve Requirement to the Principal and Interest Account of the Bond Fund. In determining the value of the investments in the Reserve Fund such investments will be valued at their fair market value or as otherwise provided in this Indenture. On the final maturity date of the Bonds, all amounts on deposit in the Reserve Fund will be used and applied by the Trustee to pay principal of and interest on the Bonds. The Trustee shall transfer funds from the Reserve Fund to the Principal and Interest Account, without further direction, whenever there are insufficient funds in the Principal and Interest Account to currently pay debt service on the Bonds. Whenever a transfer is made from the Reserve Fund to the Principal and Interest Account due to a shortage to pay debt service when due, the Trustee will promptly give written notice of such transfer to the Village and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA").

Upon any extraordinary mandatory redemption of the Bonds from surplus Bond proceeds transferred from the Project Fund to the Special Redemption Account, the Debt Service Reserve Requirement will be reduced by an amount equal to 10% of the principal amount of the Bonds to be redeemed and such amount will be transferred to the Special Redemption Account to be applied to effect a mandatory redemption of the Bonds.

(d) *Rebate Fund.* The Trustee will next transfer the Pledged Revenues into the Rebate Fund established under the Indenture to the extent the Village has determined necessary to ensure that there are on deposit in the Rebate Fund sufficient moneys to make, at the required times, all rebate payments to the United States of America required to be made by Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and applicable provisions of the Income Tax Regulations owed with respect to the Bonds. The Village will provide to the Trustee information, calculations or estimates of amounts to be deposited in the Rebate Fund for the next succeeding calendar year. The Trustee may reasonably rely upon such information, calculations or estimates to determine the proper amount to be deposited into the Rebate Fund and will not be required to make transfers of the Pledged Revenues into the Rebate Fund under this subsection if it has not been provided with such information, calculations and estimates. The Trustee will make any necessary rebate payments to the United States of America that are required by the Code and Regulations from moneys on deposit in the Rebate Fund at the written direction of the Village or a rebate analyst appointed by the Village. Amounts on deposit in the Rebate Fund are not pledged to payment of the Bonds.

(e) *Special Redemption Account.* There will be deposited to the "Special Redemption Account" contained within the Bond Fund under the Indenture: (i) any surplus Bond proceeds transferred from the Project Fund, and (ii) any condemnation proceeds received by the Village in the event of a

condemnation of the improvements financed with proceeds of the Bonds. Such amounts will be used to redeem Bonds as described hereinbefore under "THE BONDS – Extraordinary Mandatory Redemption."

(f) *The General Account.* The Trustee will next transfer the balance of any Incremental Property Taxes on deposit in the Revenue Fund, to the Treasurer to be credited to the General Account of the Route 25 South Redevelopment Project Area Special Tax Allocation Fund or the Special Tax Allocation Funds of the Contiguous Redevelopment Project Areas held by the Village allocated pursuant to the direction of the Village Administrator. Moneys on deposit in the General Account will be used for any one or more of the following purposes as directed by the President, Village Treasurer or Village Clerk (each, an "Authorized Officer"), and (unless, and to the extent, otherwise provided in any Supplemental Indenture) without any priority among them:

- (i) for the purpose of paying any costs of the Project or to pay any additional Program Expenses; or
- (ii) for the purpose of paying principal of or interest on or redeeming Bonds; or
- (iii) for the purpose of purchasing Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or
- (iv) for the purpose of paying principal of or interest on any indebtedness of the Village issued pursuant to a separate indenture or as a developer note which is subordinate to the Bonds; or
- (v) for the purpose of redeeming any indebtedness of the Village issued pursuant to a separate indenture or as a developer note which is subordinate to the Bonds; or
- (vi) for the purpose of purchasing indebtedness of the Village issued pursuant to a separate indenture or as a developer note which is subordinate to the Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or
- (vii) for the purpose of distribution of such funds to the taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Areas in accordance with the Act.

Except as may be otherwise provided in a Supplemental Indenture, moneys on deposit in the General Account are not pledged to the payment of the Bonds and are not Pledged Revenues.

ESTIMATED DEBT SERVICE COVERAGE

The following table shows projected Pledged Revenues generated by the Redevelopment Project Areas, together with estimated debt service coverage ratios:

Levy Year	Collection Year	Incremental Property Taxes (TIF #1)	Incremental Property Taxes (TIF #2)	Incremental Property Taxes (River Haven)	Incremental Property Taxes (TIF #3)	Incremental Property Taxes GAT Guns	Pledged Revenues	Principal	Interest	Capitalized Interest	Total Bond Debt Service	Debt Service Coverage Ratio
2011	2012	1,090,989	229,649		21,934		1,342,572		208,965	(208,965)	0	NA
2012	2013	985,024	177,037		0		1,162,061	190,000	378,350		568,350	2.04
2013	2014	935,562	127,155	46,715	0	36,166	1,145,598	195,000	367,281		562,281	2.04
2014	2015	935,562	63,238	187,794	0	74,985	1,261,579	265,000	354,056		619,056	2.04
2015	2016	949,659	76,496	190,616	0	76,513	1,293,284	295,000	337,956		632,956	2.04
2016	2017	963,967	89,952	193,480	0	78,065	1,325,464	330,000	319,988		649,988	2.04
2017	2018	978,489	103,611	196,386	0	79,640	1,358,126	365,000	300,006		665,006	2.04
2018	2019	993,230	117,474	199,337	0	81,238	1,391,279	400,000	278,013		678,013	2.05
2019	2020	1,008,191	131,545	202,332	0	82,861	1,424,929	440,000	253,863		693,863	2.05
2020	2021	1,023,377	145,827	205,371	40,878	84,508	1,499,961	505,000	226,694		731,694	2.05
2021	2022	1,038,791	160,323	208,456	52,284	86,179	1,546,033	560,000	196,075		756,075	2.04
2022	2023	1,054,436	175,037	211,588	63,860	87,876	1,592,797	615,000	162,294		777,294	2.05
2023	2024	1,070,316	189,972	214,767	75,611	89,598	1,640,264	675,000	125,206		800,206	2.05
2024	2025		205,130	217,993	87,528	91,346	601,997	175,000	100,769		275,769	2.18
2025	2026		220,516	221,267	99,644	93,120	634,547	200,000	89,988		289,988	2.19
2026	2027		236,133	224,591	111,931	94,921	667,576	220,000	77,913		297,913	2.24
2027	2028		251,984	227,964	124,403	96,479	700,830	340,000	61,813		401,813	1.74
2028	2029		268,073	231,389	137,061	98,604	735,127	380,000	41,113		421,113	1.75
2029	2030		284,403	234,864	149,910	100,487	769,664	425,000	17,969		442,969	1.74
2030	2031				162,951	102,398	265,349	100,000	2,875		102,875	2.58
2031	2032				176,188	104,338	280,526					
2032	2033					106,307	106,307					
2033	2034					108,306	108,306					
2034	2035					110,334	110,334					
2035	2036					112,393	112,393					
							23,076,903	6,675,000			10,367,219	

Note: See APPENDIX A - "ESTIMATE OF INCREMENTAL TAXES"

ESTIMATED INCREMENTAL TAXES

The Estimate of Incremental Property Taxes prepared by the Village's TIF consultant, Kane, McKenna Capital, Inc. (the "*TIF Consultant*"), is set forth hereto as APPENDIX A – "ESTIMATE OF INCREMENTAL PROPERTY TAXES". The exhibits to the Estimate of Incremental Property Taxes set out the following information regarding the various Redevelopment Project Areas:

- | | |
|-------------|--|
| Exhibit A-1 | Historical equalized assessed valuation and tax rate trends for the Existing Development in the Route 25 Redevelopment Project Area, the Prairie Lakes Redevelopment Project Area and the Downtown TIF Redevelopment Project Area. |
| Exhibit A-2 | The largest tax payers for the Existing Development in the Route 25 Redevelopment Project Area, the Prairie Lakes Redevelopment Project Area and the Downtown TIF Redevelopment Project Area. |
| Exhibit B-1 | Projections of equalized assessed value of the Project during the initial absorption period (tax levy years 2012 through 2014). |
| Exhibit B-2 | Projection of equalized assessed value of the Project and projections of Incremental Property Taxes for the Project for the years 2012 through 2036 (tax levy years 2012 through 2036). |
| Exhibit C-1 | Projections of equalized assessed value of the River Haven Development (as hereinafter defined) during the initial absorption period (tax levy years 2012 and 2013). |
| Exhibit C-2 | Projections of equalized assessed value of the River Haven Development and projections of Incremental Property Taxes for the River Haven Development for the years 2012 through 2030 (tax levy years 2011 through 2029). |
| Exhibit D-1 | Projections of equalized assessed value of the Existing Development in the Prairie Lakes Redevelopment Project Area and the Incremental Property Taxes related to such property for the years 2013 through 2024 (tax levy years 2012 through 2023). |
| Exhibit D-2 | Projections of equalized assessed value of the Existing Development in the Route 25 Redevelopment Project Area and the Incremental Property Taxes related to such property (excluding the River Haven Development) for the years 2013 through 2030 (tax levy years 2012 through 2029). |
| Exhibit D-3 | Projections of equalized assessed value of the Existing Development in the Downtown TIF Redevelopment Project Area and the Incremental Property Taxes related to such property for the years 2013 through 2032 (tax levy years 2012 through 2031). |
| Exhibit E | Summary of the projected Pledged Revenues based on the completion of the Project and the River Haven Development and the continuous occupancy and operation of the Project and the River Haven Development and the Existing Development in the Route 25 |

Redevelopment Project Area, the Prairie Lakes Redevelopment Project Area and the Downtown TIF Redevelopment Project Area.

The projected amounts of Incremental Property Taxes provided in the Estimate of Incremental Property Taxes is based on information, facts, circumstances, assumptions, limitations and potential risks as set forth in APPENDIX A. APPENDIX A should be read carefully and considered in its entirety.

THE ESTIMATE OF INCREMENTAL PROPERTY TAXES DOES NOT REACH CONCLUSIONS AS TO THE ADEQUACY OF INCREMENTAL PROPERTY TAXES TO PAY, ON A TIMELY BASIS, THE PRINCIPAL OF AN INTEREST ON THE BONDS. RATHER, THE ESTIMATE OF INCREMENTAL PROPERTY TAXES SERVES AS A BASIS FOR ESTIMATING THE AMOUNT OF PLEDGED REVENUES WHICH, PURSUANT TO THE INDENTURE, COULD BE AVAILABLE TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS.

THE ROUTE 25 SOUTH REDEVELOPMENT PROJECT AREA

The Route 25 South Redevelopment Project Area is an area of approximately 30 acres located on the east and west sides of Illinois Route 25 and containing 26 entire parcels and one partial parcel, all located within the Village boundaries in Kane County, Illinois. That portion of the Route 25 South Redevelopment Project Area consisting of the Gat Guns Property was annexed into the Village pursuant to (i) Ordinance No. 12-32 adopted by Board on June 30, 2012, being "An Ordinance Authorizing the Execution of an Annexation Agreement between The Village of East Dundee and GAT Properties, an Illinois Limited Liability Company Formerly known as Our Secret LLC", (ii) that certain Annexation Agreement dated June 30, 2012 between the Village and the Developer, and (iii) Ordinance No. 12-35 adopted by the Board on July 1, 2012, being "An Ordinance Annexing Certain Property Commonly Known as the GAT Guns Property at 14N915 Illinois Route 25 to the Village of East Dundee".

The Route 25 South Redevelopment Project Area was designated a "redevelopment project area" under the Act pursuant to certain ordinances adopted by the Board on August 20, 2012. On August 20, 2012, the Board adopted (i) Ordinance No. 12-64, being "An Ordinance of the Village of East Dundee, Cook and Kane Counties, Illinois, Approving the Proposed Route 25 South Tax Increment Financing Redevelopment Plan", (ii) Ordinance No. 12-65, being "An Ordinance of the Village of East Dundee, Cook and Kane Counties, Illinois, Designating the Proposed Route 25 South TIF Redevelopment Project Area, a Redevelopment Project Area Pursuant to the Tax Incremental Allocation Redevelopment Act, as Amended", and (iii) Ordinance No. 12-66, being "An Ordinance of the Village of East Dundee, Cook and Kane Counties, Illinois, Adopting Tax Increment Financing for the Route 25 South Redevelopment Project Area Tax Increment Financing District". The Route 25 South Redevelopment Project Area is scheduled to expire in tax levy year 2036.

Pursuant to Ordinance No. 12-66, the Village established a Special Tax Allocation Fund which has been expressly continued under the Indenture as a special fund of the Village, to be held by the Village separate and apart from all other funds and accounts of the Village, and continued to be known as the "*Route 25 South Redevelopment Project Area Special Tax Allocation Fund*".

The "*Project*" consists of (i) certain public improvements within the Route 25 South Redevelopment Project Area by the Village, including water and sewer improvements; (ii) the rehabilitation of the Existing Building, (iii) the construction of an approximately 41,568 square foot addition to the Existing Building to provide for additional retail space and an indoor rifle range, (iv) improving the parking lot for the Gat Guns Property, and (v) providing a new electronic sign.

The "*Gat Guns Property*" consists of those parcels of real property comprising approximately five (5) acres that are owned by the Developer and identified by ten (10) Property Identification Numbers

("PINs"), that are located within the Route 25 South Redevelopment Project Area. The Gat Guns Property is leased by the Developer to GAT Guns, Inc. (the "Tenant") pursuant to a Commercial Lease dated January 1, 2012. The Tenant operates the Gat Guns Property as a retail business engaged in the sale of, among other things, sporting goods, firearms and ammunition, and as an indoor pistol range and a firearms, weapons and martial arts training facility. The managers of the Developer are Gregory A. Tropino, Sr. and Gregory Tropino Jr. The Tenant is an affiliated entity of the Developer.

The Village has entered into the Redevelopment Agreement with the Developer in connection with the development of the Project. According to the Redevelopment Agreement, the Developer has commenced construction of the Project and shall substantially complete construction of the Project on or before December 31, 2014, in accordance with all approved building permits. The Redevelopment Agreement requires the Village to proceed with and complete the rezoning of the Gat Guns Property to B-3 General Service Business District with a special use for firearm and ammunition sales and an indoor firearm and archery range.

The Redevelopment Agreement further provides that, in the event the Developer ceases to operate as a firearm and ammunition sales and an indoor firearm range, or its equivalent (the "Business") for a period of twelve (12) years following the date of the occupancy permit of the up to 75-yard indoor rifle range, the Developer shall repay any Project costs actually disbursed by the Village pursuant to the Redevelopment Agreement for the Project, 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 acts of God, interruption of utility services and other events of force majeure) by 8.33%. Such repayment obligation on the part of the Developer is hereafter referred to as the "Repayment Obligation." The Repayment Obligation shall not be triggered to the extent the Developer ceases to operate the Business as a result of any legislation or regulation that, in the reasonable discretion of the Developer, makes the continuation of the Business impractical.

The Village entered into an Annexation Agreement with the Developer dated June 30, 2012 (the "Annexation Agreement"), pursuant to which the Village agreed to annex and rezone the Gat Guns Property. Under the Annexation Agreement, upon the annexation of the Gat Guns Property to the Village, the Developer shall not be required to connect to the Village's municipal water service or sanitary sewer service, provided, however that the Developer may, in its sole discretion, connect the Gat Guns Property to Village's municipal water service and/or sanitary sewer service at any time under the same terms, conditions and fee structure as are applicable to other similar properties located in the Village.

In connection with the designation of the Route 25 South Redevelopment Project Area, the Village authorized the preparation of a report entitled "Redevelopment Project Plan and Eligibility Report for the Route 25-South Project Area, Village of East Dundee, Illinois". This report was prepared by Vandewalle & Associates on August 16, 2012, and concluded that the Route 25 South Redevelopment Project Area meets the requirements of the Act for designation as a blighted area.

The Route 25 South Redevelopment Project Area Initial Equalized Assessed Valuation relating to the Gat Guns Property is estimated to be \$336,404 for the 2011 tax year. The "Route 25 South Redevelopment Project Area Initial Equalized Assessed Valuation" means the Equalized Assessed Value of each taxable lot, block, tract or parcel of real property within the Route 25 South Redevelopment Project Area as last equalized or assessed by the Department of Revenue of the State of Illinois (the "Department") for the County tax year, all as determined by the County Clerk at the time of the establishment and as adjusted for any decreases in Equalized Assessed Value for such property below the Equalized Assessed Value for such property at the time of the establishment of the Route 25 South Redevelopment Project Area, all in accordance with the Act.

Exhibit B-1 to the Estimate of Incremental Property Taxes includes the projections of Equalized Assessed Value of the GAT Guns Development during the initial absorption period (tax years 2012 through 2014), and Exhibit B-2 to the Estimate of Incremental Property Taxes includes the projection of Equalized Assessed Value of the Project and projections of Incremental Property Taxes for the Project for the years 2012 through 2036 (tax years 2012 through 2036).

THE ROUTE 25 REDEVELOPMENT PROJECT AREA

The Route 25 Redevelopment Project Area is an area of approximately 296 acres located in an area generally along the eastern boundary of the Village, one to three parcels deep along the east and west sides of Route 25 and extending eastward along the north side of Route 72. Land uses in the area consist of automobile dealers, Santa's Village Amusement Park and out-lot retailers, a former gravel quarry, an asphalt plant, and several small retailers along Route 72.

The Route 25 Redevelopment Project Area was designated a "redevelopment project area" under the Act pursuant to certain ordinances adopted by the Board on September 18, 2006. On September 18, 2006, the Board adopted (i) Ordinance No. 06-40, being "An Ordinance Approving the Route 25 Tax Redevelopment Plan and Project", (ii) Ordinance No. 06-41, being "An Ordinance Designating the Route 25 Redevelopment Project Area", and (iii) Ordinance No. 06-42, being "An Ordinance Adopting Tax Increment Financing for the Village of East Dundee, Kane County, Illinois, in Connection with Designation of the Route 25 Redevelopment Project Area". The Route 25 Redevelopment Project Area is scheduled to expire in tax levy year 2030.

Pursuant to Ordinance No. 06-42, the Village established a Special Tax Allocation Fund which has been expressly continued under the Indenture as a special fund of the Village, to be held by the Village separate and apart from all other funds and accounts of the Village, and continued to be known as the "2006 Route 25 Redevelopment Project Area Special Tax Allocation Fund".

The Route 25 Redevelopment Project Area Initial Equalized Assessed Valuation has been certified by the County Clerk to be \$10,307,688 for the 2011 tax year. The "Route 25 Redevelopment Project Area Initial Equalized Assessed Value" means the Equalized Assessed Value of each taxable lot, block, tract or parcel of real property within the Route 25 Redevelopment Project Area as last equalized or assessed by the Department for the County tax year, all as determined by the County Clerk at the time of the establishment and as adjusted for any decreases in Equalized Assessed Value for such property below the Equalized Assessed Value for such property at the time of the establishment of the Route 25 Redevelopment Project Area, all in accordance with the Act.

The River Haven Development is expected to be constructed on one (1) property tax parcel (the "River Haven Development Site") located within the Route 25 Redevelopment Project Area. River Haven Place, LP, and Gardiner Senior Apartments, LP (collectively, the "River Haven Developer") intends to construct an 80-unit, mid-rise apartment building dedicated solely for low income seniors (the "Senior Living Facility") and 68 units of single family and duplex homes dedicated to military veterans and their families (the "Veterans' Living Facility") on the River Haven Development Site (the Senior Living Facility and the Veteran Living Facility are hereafter collectively referred to as the "River Haven Development"). The Veterans' Living Facility is expected to be completed by the end of 2012 and the Senior Living Facility is expected to be completed in January, 2013.

Although all of the Route 25 Incremental Property Taxes constitute a portion of the Pledged Revenues under the Indenture, a portion of the Incremental Property Taxes to be generated by the Route 25 Redevelopment Project Area has previously been pledged by the Village to secure its obligations under that certain Development Agreement dated April ____, 2008 (the "Pal Land Development Agreement") by and between the Village and Pal Land, LLC, a Delaware limited liability company ("Pal

Land). Pursuant to the Pal Land Development Agreement, Pal Land has agreed to develop in three (3) phases an approximately 120-acre business and industrial park (the "*Pal Land Project*") along Illinois Route 72 in the Village, of which 99.5 acres are located in the Route 25 Redevelopment Project Area and the balance of which are located in another redevelopment project area. That portion of the Pal Land Project located within the Route 25 Redevelopment Project Area and consisting of five (5) PINs is referred to as the "*Subject Property*".

The Pal Land Development Agreement requires the Village to reimburse Pal Land for certain eligible redevelopment project costs incurred by Pal Land with respect to the development of the Pal Land Project (collectively, the "*Pal Land Project Costs*"). Under the Pal Land Development Agreement, the obligation to reimburse Pal Land for such Pal Land Project Costs is to be evidenced by one or more special tax increment revenue notes (collectively, the "*Pal Land Notes*") to be issued by the Village from time to time and payable to the order of Pal Land.

Each Pal Land Note is to be in the amount of the Pal Land Project Costs for each completed phase of the Pal Land Project, and shall bear interest at the rate of six percent (6%) per annum from the date of issuance of such Pal Land Note until paid. Each Pal Land Note is payable solely from and secured by a pledge of, and lien on, the Route 25 Incremental Property Taxes generated by the Subject Property deposited from time to time into the Pal Land Sub-Account (as hereinafter defined). The Pal Land Notes are not secured by the full faith and credit of the Village and are not payable out of the Village's General Revenue Fund. The failure of the Village to make any payment on a Pal Land Note due to insufficient funds generated within the Pal Land Sub-Account shall not be deemed a default of such Pal Land Note on the part of the Village. The Village has heretofore issued a Special Tax Increment Revenue Note No. 1 dated March 16, 2009 in the amount of \$2,115,280.48 payable to Pal Land.

Pursuant to the Pal Land Development Agreement, the Village has established a segregated special sub-account of the 2006 Route 25 Redevelopment Project Area Special Tax Allocation Fund which has been designated as the "*Pal Land Sub-Account*". The Pal Land Development Agreement requires that a portion of the Route 25 Incremental Property Taxes generated solely by the Subject Property which are deposited into the 2006 Route 25 Redevelopment Project Area Special Tax Allocation Fund shall be transferred into the Pal Land Sub-Account as follows:

(i) On July 1 and October 1 of each year until October 1, 2017, fifty-five percent (55%) of all Route 25 Incremental Property Taxes generated by the Subject Property which have been deposited into the 2006 Route 25 Redevelopment Project Area Special Tax Allocation Fund shall be transferred and deposited by the Village into the Pal Land Sub-Account, to be used solely to make payments under the Pal Land Notes.

(ii) Commencing on July 1, 2018 and on each October and July thereafter, sixty-five percent (65%) of all Route 25 Incremental Property Taxes generated by the Subject Property which have been deposited into the 2006 Route 25 Redevelopment Project Area Special Tax Allocation Fund shall be transferred and deposited by the Village into the Pal Land Sub-Account, to be used solely to make payments under the Pal Land Notes.

(iii) Any amounts on deposit in the Pal Land Sub-Account in excess of the amount required to reimburse Pal Land for Pal Land Project Costs shall remain in the Pal Land Sub-Account for future reimbursements until such time as Pal Land shall have received reimbursement for Pal Land Project Costs in an aggregate amount not to exceed the "Developer Base Reimbursement Cap" (as hereinafter defined), plus interest thereon. After full reimbursement has been made to Pal Land, all amounts remaining in the Pal Land Sub-Account shall be transferred to the 2006 Route 25 Redevelopment Project Area Special Tax Allocation Fund.

(iv) At such time as Pal Land shall have received the Developer Base Reimbursement Cap, the Village shall be entitled to receive all subsequently received Route 25 Incremental Property Taxes relating to the Subject Property until the date (the "*Equalization Date*") that the Village has received Route 25 Incremental Property Taxes relating to the Subject Property in an amount equal to the Developer Base Reimbursement Cap. Thereafter, fifty percent (50%) of the Route 25 Incremental Property Taxes relating to the Subject Property received by the Village from and after the Equalization Date shall be paid to Pal Land as reimbursement of Pal Land Project Costs not previously reimbursed, with the remaining Incremental Property Taxes relating to the Subject Property received by the Village from and after the Equalization Date to be retained by the Village.

The Pal Land Development Agreement defines the "*Developer Base Reimbursement Cap*" as an amount which shall not exceed (i) \$4,200,000 in the aggregate for all three (3) phases of the Pal Land Project, plus (ii) 100% of the "*Incremental Kane County Fees*" (as hereinafter defined) for the first phase of the Pal Land Project, and 50% of the Incremental Kane County Fees for the second and third phases of the Pal Land Project. As used in the Pal Land Development Agreement, the "*Incremental Kane County Fees*" are the excess of any Kane County Department of Transportation impact fees that become payable with respect to any building for which a building permit is issued after December 31, 2007 over and above the base Kane County Department of Transportation impact fees would have been for such building had the permit been issued on or before December 31, 2007.

The Pal Land Development Agreement further provides that the Village may, subject to the satisfaction of certain conditions, issue its Tax Increment Allocation Redevelopment Revenue Bonds in an amount sufficient to redeem any outstanding Pal Land Notes (including accrued interest) and pay all approved Pal Land Project Costs not then incorporated into a Pal Land Note.

The Village is currently negotiating certain amendments to the Pal Land Development Agreement which may impact the amount of the Incremental Property Taxes relating to the Subject Property required to be transferred into the Pal Land Sub-Account. Any increase in the amount of the Incremental Property Taxes transferred into the Pal Land Sub-Account shall consequently lower the amount available as Pledged Revenues.

Exhibit C-1 to the Estimate of Incremental Property Taxes includes the projections of Equalized Assessed Value of the River Haven Development during the initial absorption period (tax years 2012 and 2013), and Exhibit C-2 to the Estimate of Incremental Property Taxes includes the projection of Equalized Assessed Value of the River Haven Development and projections of Incremental Property Taxes for the River Haven Development for the years 2012 through 2030 (tax years 2011 through 2029). Exhibit D-2 to the Estimate of Incremental Property Taxes includes the projections of Equalized Assessed Value of the Existing Development in the Route 25 Redevelopment Project Area and the Incremental Property Taxes related to the Route 25 Redevelopment Project Area (excluding the River Haven Development) for the years 2013 through 2030 (tax years 2012 through 2029). The Incremental Property Taxes associated with any properties developed pursuant to the Pal Land Development Agreement and which are located in the Route 25 Redevelopment Project Area have been excluded from the projections of Incremental Property Taxes contained in the Estimate of Incremental Property Taxes.

The following table sets forth certain information concerning equalized assessed values, property taxes extended and collections for properties located in the Route 25 Redevelopment Project Area:

<u>Tax Levy/ Collection Yr.</u>	<u>TIF EAV</u>	<u>Tax Extension⁽¹⁾</u>	<u>Total Taxes Collected</u>	<u>Total Collections as a Percentage of Collections⁽³⁾</u>
2007/08	1,511,334	97,591	97,752	100.17%
2008/09	1,921,821	123,954	123,876	99.94%
2009/10	1,812,434	121,020	121,124	100.09%
2010/11	1,119,928 ⁽⁴⁾	84,803	84,803	100.00%
2011/12	2,868,719	229,650	225,728 ⁽²⁾	98.29% ⁽²⁾

⁽¹⁾ A separate levy is filed for Kane County and Cook County.

⁽²⁾ Partial year collections – includes property taxes paid through October 2, 2012.

⁽³⁾ Total taxes collected includes collections of delinquent taxes, back tax contributions, property tax abatements and taxes paid under protest as of October 10, 2012.

⁽⁴⁾ The drop in TIF EAV from tax year 2009 to 2010 represents a decrease applicable to most of the properties in the Route 25 Redevelopment Project Area. The township assessor increased the values by approximately same percentage the following year. Also, a new office building was constructed in the Route 25 Redevelopment Project Area, which is now reflected in the 2011 tax assessment.

Source: Office of Kane County Clerk and Office of Kane County Treasurer

THE PRAIRIE LAKES REDEVELOPMENT PROJECT AREA

The Prairie Lakes Redevelopment Project Area is an area of approximately 90 acres located in a vacant quarry site generally bounded on the south by Illinois Route 68, on the east by the Commonwealth Edison transmission line, on the north by the Village of Barrington Hills and on the west by the Village of Carpentersville.

The Prairie Lakes Redevelopment Project Area was designated a “redevelopment project area” under the Act pursuant to certain ordinances adopted by the Board on October 2, 2000 in order to facilitate the reclamation of the former quarry into a viable industrial/business park. On October 2, 2000, the Board adopted (i) Ordinance No. 00-22, being “An Ordinance Approving the Prairie Lakes Tax Redevelopment Plan and Project”, (ii) Ordinance No. 00-23, being “An Ordinance Designating the Prairie Lakes Redevelopment Project Area”, and (iii) Ordinance No. 00-24, being “An Ordinance Adopting Tax Increment Financing for the Village of East Dundee, Kane County, Illinois, in Connection with Designation of the Prairie Lakes Redevelopment Project Area”. The Prairie Lakes Redevelopment Project Area is scheduled to expire in tax levy year 2023.

Pursuant to Ordinance No. 00-24, the Village established a Special Tax Allocation Fund which has been expressly continued under the Indenture as a special fund of the Village, to be held by the Village separate and apart from all other funds and accounts of the Village, and continued to be known as the “2000 Prairie Lakes Redevelopment Project Area Special Tax Allocation Fund”.

The Prairie Lakes Redevelopment Project Area Initial Equalized Assessed Valuation has been certified by the County Clerk to be \$52,860 for the 2011 tax year. The “Prairie Lakes Redevelopment Project Area Initial Equalized Assessed Value” means the Equalized Assessed Value of each taxable lot, block, tract or parcel of real property within the Prairie Lakes Redevelopment Project Area as last equalized or assessed by the Department for the County tax year, all as determined by the County Clerk at the time of the establishment and as adjusted for any decreases in Equalized Assessed Value for such

property below the Equalized Assessed Value for such property at the time of the establishment of the Prairie Lakes Redevelopment Project Area, all in accordance with the Act.

Exhibit D-1 to the Estimate of Incremental Property Taxes includes the projections of Equalized Assessed Value of the Existing Development in the Prairie Lakes Redevelopment Project Area and the Incremental Property Taxes related to Prairie Lakes Redevelopment Project Area for the years 2013 through 2024 (tax years 2012 through 2023).

The following table sets forth certain information concerning equalized assessed values, property taxes extended and collections for properties located in the Prairie Lakes Redevelopment Project Area:

<u>Tax Levy/ Collection Yr.</u>	<u>TIF EAV</u>	<u>Tax Extension⁽¹⁾</u>	<u>Total Taxes Collected</u>	<u>Total Collections as a Percentage of Collections⁽³⁾</u>
2007/08	6,446,402	416,260	415,885	99.91%
2008/09	8,144,265	525,291	522,050	99.38%
2009/10	8,373,612	559,123	559,154	100.01%
2010/11	9,169,952	694,368	694,387	100.00%
2011/12	13,628,337	1,090,989	973,620 ⁽²⁾	89.24% ⁽²⁾

⁽¹⁾ A separate levy is filed for Kane County and Cook County.

⁽²⁾ Partial year collections – includes property taxes paid through October 2, 2012.

⁽³⁾ Total taxes collected includes collections of delinquent taxes, back tax contributions, property tax abatements and taxes paid under protest as of October 10, 2012.

Source: Office of Kane County Clerk and Office of Kane County Treasurer

THE DOWNTOWN TIF REDEVELOPMENT PROJECT AREA

The Downtown TIF Redevelopment Project Area is an area of approximately 114 acres (including roadway infrastructure) located in the Village's downtown, along Illinois Route 72 and adjacent to the Fox River. Land uses in the area consist of retail and industrial businesses, institutional uses and single family homes.

The Downtown TIF Redevelopment Project Area was designated a "redevelopment project area" under the Act pursuant to certain ordinances adopted by the Board on June 18, 2008. On June 18, 2008, the Board adopted (i) Ordinance No. 08-34, being "An Ordinance of the Village of East Dundee, Kane County, Illinois Approving the Proposed Downtown Tax Increment Financing Redevelopment Plan and Project", (ii) Ordinance No. 08-35, being "An Ordinance of the Village of East Dundee, Kane County, Illinois Designating the Proposed Downtown TIF Redevelopment Project Area, a Redevelopment Project Area pursuant to the Tax Incremental Allocation Redevelopment Act", and (iii) Ordinance No. 08-36, being "An Ordinance of the Village of East Dundee, Kane County, Illinois Adopting Tax Increment Financing for the Downtown Redevelopment Project Area Tax Increment Financing District". The Downtown TIF Redevelopment Project Area is scheduled to expire in tax levy year 2032.

Pursuant to Ordinance No. 08-36, the Village established a Special Tax Allocation Fund which has been expressly continued under the Indenture as a special fund of the Village, to be held by the Village separate and apart from all other funds and accounts of the Village, and continued to be known as the "Village of East Dundee Downtown Tax Increment Redevelopment Project Area Special Tax Allocation Account".

Although all of the Downtown TIF Incremental Property Taxes constitute a portion of the Pledged Revenues under the Indenture, a portion of the Incremental Property Taxes to be generated by the Downtown TIF Redevelopment Project Area has previously been pledged by the Village to secure its obligations under (i) that certain Redevelopment Agreement dated July 21, 2011 (the "*7 Hills Redevelopment Agreement*") by and between the Village and 7 Hills Healthcare Center, P.C., an Illinois corporation ("*7 Hills*"), and (ii) that certain Redevelopment Agreement dated January 30, 2012 (the "*Made to Measure Redevelopment Agreement*") by and among the Village, CBJB, LLC, an Illinois limited liability company, and Made to Measure, LLC, an Illinois limited liability company ("*Made to Measure*"). Pursuant to the 7 Hills Redevelopment Agreement, 7 Hills has agreed to lease, rehabilitate and renovate certain property (the "*7 Hills Project*") located within the Downtown TIF Redevelopment Project Area. Pursuant to the Made to Measure Redevelopment Agreement, 7 Hills has agreed to acquire, rehabilitate and renovate certain property (the "*Made to Measure Project*") located within the Downtown TIF Redevelopment Project Area.

The 7 Hills Redevelopment Agreement requires the Village to reimburse 7 Hills for certain eligible redevelopment project costs incurred by 7 Hills with respect to the development of the 7 Hills Project (collectively, the "*7 Hills Project Costs*") in an aggregate amount not to exceed \$73,000. Pursuant to the 7 Hills Redevelopment Agreement, the Village has established a segregated special sub-account of the Village of East Dundee Downtown Tax Increment Redevelopment Project Area Special Tax Allocation Account which has been designated as the "*7 Hills Sub-Account*". The 7 Hills Redevelopment Agreement requires that the Village deposit sums into the 7 Hills Sub-Account from its business district fund or the Village of East Dundee Downtown Tax Increment Redevelopment Project Area Special Tax Allocation Account in an amount sufficient to annually reimburse 7 Hills for 7 Hills Project Costs in an amount not to exceed \$14,600.

The Made to Measure Redevelopment Agreement requires the Village to reimburse Made to Measure for certain eligible redevelopment project costs incurred by Made to Measure with respect to the development of the Made to Measure Project (collectively, the "*Made to Measure Project Costs*") in an aggregate amount not to exceed \$425,000. Pursuant to the Made to Measure Redevelopment Agreement, the Village has established a segregated special sub-account of the Village of East Dundee Downtown Tax Increment Redevelopment Project Area Special Tax Allocation Account which has been designated as the "*302 E. Main Street Special Tax Allocation Fund*". The Made to Measure Redevelopment Agreement requires that the Village deposit sums into the 302 E. Main Street Special Tax Allocation Fund in an amount sufficient to reimburse Made to Measure for Made to Measure Project Costs in an amount not to exceed \$425,000, as follows:

- (i) an immediate deposit of \$80,000 for façade rehabilitation/renovation;
- (ii) annual deposits for \$25,000 each year for a maximum of ten (10) years for building rehabilitation/renovation; and
- (iii) annuals deposits of eighty percent (80%) of all Downtown TIF Incremental Property Taxes relating to the Made to Measure Project for building rehabilitation/renovation.

The Downtown TIF Redevelopment Project Area Initial Equalized Assessed Valuation has been certified by the County Clerk to be \$10,014,328 for the 2011 tax year. The "Downtown TIF Redevelopment Project Area Initial Equalized Assessed Value" means the Equalized Assessed Value of each taxable lot, block, tract or parcel of real property within the Downtown TIF Redevelopment Project Area as last equalized or assessed by the Department for the County tax year, all as determined by the County Clerk at the time of the establishment and as adjusted for any decreases in Equalized Assessed Value for such property below the Equalized Assessed Value for such property at the time of the establishment of the Downtown TIF Redevelopment Project Area, all in accordance with the Act.

Exhibit D-3 to the Estimate of Incremental Property Taxes includes the projections of Equalized Assessed Value of the Existing Development in the Downtown TIF Redevelopment Project Area and the Incremental Property Taxes related to the Downtown TIF Redevelopment Project Area for the years 2013 through 2032 (tax years 2012 through 2031). Both the 7 Hills Project and the Made to Measure Project have received payments to date that were applied to the existing obligations under the 7 Hills Redevelopment Agreement and the Made to Measure Redevelopment Agreement. Total remaining amounts payable to both entities are \$394,312, after the end of 2012. The Estimate of Incremental Property Taxes reserves all of the Incremental Property Taxes projected to be generated by the Downtown TIF Redevelopment Project Area to be applied to these remaining obligations. Once the total amounts are paid, the Incremental Property Taxes generated by the Downtown TIF Redevelopment Project Area would then be available for payment of other redevelopment project costs.

The following table sets forth certain information concerning equalized assessed values, property taxes extended and collections for properties located in the Downtown TIF Redevelopment Project Area:

<u>Tax Levy/ Collection Yr.⁽⁴⁾</u>	<u>TIF EAV</u>	<u>Tax Extension⁽¹⁾</u>	<u>Total Taxes Collected</u>	<u>Total Collections as a Percentage of Collections⁽³⁾</u>
2007/08	N/A	N/A	N/A	N/A
2008/09	482,856	31,144	31,110	99.89%
2009/10	390,174	26,054	24,964	95.82%
2010/11	90,844 ⁽⁵⁾	6,879	5,689	82.70%
2011/12	301,769	23,536	22,834 ⁽²⁾	97.02% ⁽²⁾

⁽¹⁾ A separate levy is filed for Kane County and Cook County.

⁽²⁾ Partial year collections – includes property taxes paid through October 2, 2012.

⁽³⁾ Total taxes collected includes collections of delinquent taxes, back tax contributions, property tax abatements and taxes paid under protest as of October 10, 2012

⁽⁴⁾ Downtown TIF Redevelopment Project Area created in 2008.

⁽⁵⁾ The drop in TIF EAV for tax year 2009 to 2010 represents a decrease applicable to most of the properties in the Downtown TIF Redevelopment Project Area. The township assessor increased the values by approximately same percentage the following year.

Source: Office of Kane County Clerk and Office of Kane County Treasurer

HISTORICAL TAX RATES FOR REDEVELOPMENT PROJECT AREAS

The following table reflects the tax rates for the PINs that constitute each of the Redevelopment Project Areas:

Tax Rates				
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
6.457238	6.449825	6.677206	7.572211	8.005295

THE VILLAGE

General Description

The Village of East Dundee, a home rule community as defined by the 1970 Constitution, was incorporated in 1871, and is located approximately 35 miles northwest of the city of Chicago, primarily in Kane County (over 98% of equalized assessed value) with the remainder in Cook County. The Village is bordered generally by the Village of Carpentersville to the north, the Villages of Barrington Hills and Hoffman Estates to the east, the Village of West Dundee to the west and unincorporated land to the south. According to the 2010 census, there are 2,860 residents. East Dundee encompasses approximately 3 square miles. The Village has the power by State statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Village Board.

The Village's location allows for many transportation options for its residents. Residents can use major highways such as Interstate 90 and State Routes 72, 68 and 25. Commuter service is provided by the Metra rail division of the Regional Transportation Authority on the Milwaukee District West line with a station located approximately 5 miles from the Village in Elgin, Illinois.

Gas and electric service for the Village are provided by Nicor and Commonwealth Edison, respectively. The Village draws water from four wells located within the Village and operates a water treatment plant. Sewage is collected through Village mains and is transported through transmission lines and treated at the Village's sewage plant.

The Village is served by Dundee Community Unit School District Number 300 which encompasses a four community area and has an enrollment for the 2011-12 school year of 20,544. The District includes fifteen elementary schools, two elementary/middle schools, one intermediate schools, three high schools, one alternative school and one preschool. Higher educational opportunities are available at Elgin Community College District Number 509.

A broad range of resident recreational opportunities are provided by Dundee Township Park District (the "*Park District*"), a separate governmental entity. The Park District consists of 31 neighborhood and community parks, two golf courses and 879 acres of land for the diverse Dundee Township community. One of the golf courses and two of the parks lie inside the Village of East Dundee. Park amenities include a skate plaza, disc golf course, picnic areas, basketball courts, baseball fields, playgrounds, tennis courts, soccer fields, volleyball courts, hiking/walking paths and many more. In addition the Park District has a large indoor recreational facility in nearby Carpentersville.

The area has many health facilities that provide full service medical care to the residents of the Village including Sherman Hospital and Provena St. Joseph Hospital in Elgin and Alexian Brothers Medical Center located in Hoffman Estates.

Village Organization and Administration

The Village of East Dundee is governed by a Village President and six-member Board of Trustees. The Village President is the chief executive officer and the Village Administrator is responsible for administrative details. Policymaking and legislative authority are vested in the Village Board, which among other responsibilities, is responsible for passing ordinances, adopting the budget and appointing committees. The Village Administrator is responsible for carrying out the policies and ordinances of the Village Board, overseeing the daily operations of the Village, and appointing staff of the village's operating departments. The Village Board is elected on a nonpartisan basis. Trustees are elected to four-year staggered terms, with three Trustees elected every two years. The Village President is elected to a

four-year term. The Village President and three Trustees will next be elected in April, 2013 and the remaining three Trustees will next be elected in April, 2015. The Village President and Village Trustees are elected at-large.

The Village, by statute, provides police, public works, planning and zoning, building inspections and general administrative services. The Village employs a staff of twenty-six full time and nine part-time employees. The police officers are represented by Metropolitan Alliance of Police, Chapter # 453 with their current three year contract to expire on April 30, 2013. Certain of the public works employees are represented by the International Union of Operating Engineers, Local 150, Public Employees Division with their current three year contract expiring April 30, 2014.

Selected Socio-Economic and Demographic Characteristics

The following tables compare the population and selected socio-economic demographic characteristics, from information compiled in the 2010 Census, for persons living within the Village, the County and the State.

	Median Home Value	Per Capita Income	Median Household Income	% Owner Occupied Housing
Village of East Dundee	\$222,900	\$34,118	\$67,260	83.4
Kane County	235,100	28,266	65,712	76.6
State of Illinois	191,800	27,325	52,972	67.5

Source: U.S. Census Bureau.

	2000 Population	2010 Population	% Change
Village of East Dundee	2,955	2,860	-3.2%
Kane County	404,119	515,269	+27.5%
State of Illinois	12,419,293	12,830,632	+3.31%

Source: U.S. Census Bureau.

Employment

Residents of the Village generally work in the western and northwestern suburbs and within the City of Chicago. The following table lists some of the largest employers located in the Village.

Employer	Product/Business	Approximate Employment
Wal-Mart ¹	Retail	165
Haeger Potteries Inc.	Pottery	150
Apet Inc.	Wholesale tropical fish and related products	100
Cutlery and More, Inc.	Housewares	85
GAT Guns, Inc.	Guns/ammunition sales and firearms training	65
Tovar Snow Professionals	Professional and support staff	60
Spring Hill Ford	Auto dealer	50
Al Piemonte Chevrolet	Auto dealer	50

Prairie Materials	Concrete and aggregate products	40
Horizon Die Corporation	Tooling, stamping, and related systems	32
AT&T	Telecommunications	30

Source: Village

- ¹ The Village has been advised that Wal-Mart will be relocating store number 1531 to Carpentersville, Illinois, but the store is not expected to cease operations in East Dundee until the end of 2014. See "RISKS- Risk of Discontinued Operations".

Current Economic Development Programs

The Village has aggressively pursued various economic development tools to attract and retain development within the Village. The Village is currently pursuing a variety of projects. These projects reflect the Village's ongoing commitment to ensure that its residents are able to live and work in an enviable environment. Some of these projects include:

A tool which has been used by the Village in attracting development is tax increment financing. Tax Increment Financing ("TIF") provides a means for municipalities, after the approval of a "Redevelopment Plan and Project", to redevelop blighted, conservation or industrial park conservation areas ("TIF Districts") by pledging the anticipated increase in tax revenues resulting from using new tax revenues generated by private redevelopment to pay for the public costs incurred to stimulate such private investment in new development and rehabilitation. Tax Increment Financing is authorized in Illinois by the Act. In 1993, the Act was amended to allow for the transfer of property tax increment between adjacent TIF Districts.

An additional tool which has been used by the Village in attracting development is the creation of business districts pursuant to the provisions of the Business District Development Redevelopment Act, as amended, which allows the Village to designate business districts to promote development or redevelopment in the Village and impose a retailers' occupation tax and a service occupation tax therein (a "*Business Development District*").

The Village has aggressively pursued economic development opportunities and in doing so has created five TIF Districts and three Business Development Districts. The following is a list of the TIF Districts and Business Development Districts and the dates they were created:

TIF Districts:

Date Created:

Prairie Lakes Redevelopment Project Area	October, 2000
Route 25 Redevelopment Project Area	September 2006
Downtown TIF Redevelopment Project Area	January, 2008
Christina Drive Redevelopment Project Area	June, 2010
Route 68 - West Redevelopment Project Area	March, 2011
Route 25 South Redevelopment Project Area	August, 2011

Business Districts:

Date Created:

Illinois Route 72 and Illinois Route 25 Business Development District	September, 2008
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The following are developments that have occurred within the TIF Districts and/or Business Districts:

- 1) 7 Hills was recently attracted to the Village via the 7 Hills Redevelopment Agreement to renovate a former restaurant building into medical offices and an in-house pharmacy. 7 Hills purchased the building located in the Downtown TIF Redevelopment Project Area and opened a medical clinic in May 2012 with a TIF grant from the Village. 7 Hills plans on opening a pharmacy open to the public and their patients by the end of 2012. It will service 2,500 home-bound patients from this location and dispense prescription drugs to them from this location. It is estimated that prescription drug sales could reach \$20,000,000 a year upon full operation. The Village receives 1% of those sales in sales tax.
- 2) Made to Measure was recently attracted through the Made to Measure Redevelopment Agreement to purchase and renovate an historically significant building in the Downtown TIF Redevelopment Project Area. While this engineering service company will not produce sales tax, the 15 engineers and customers will produce significant spin-off activities from this high profile, 15,000 square foot building. This project, which will be completed by November, 2012, totals \$1,300,000. The Village will invest 29% of this amount into the project from TIF revenues.
- 3) Tovar Snow Professionals ("TSP") was attracted to East Dundee via a TIF Redevelopment Agreement to rehabilitate a former 18,000 square foot furniture store in the Route 68 – West Redevelopment Project Area. They consolidated several scattered office locations to this site to create a new corporate headquarters for their 50+ executives and support staff. TSP is the largest private snow removal company in the state. When fully activated and operational, they have approximately 6,500 people on the road clearing snow.
- 4) Pal Land is developing the Pal Land Project pursuant to the Pal Land Development Agreement.

Continuing redevelopment activities related to projects in the Village (which may be in TIF Districts and/or Business Districts) include:

- J.D. Byrider, a used car franchise, purchased the shuttered Saturn facility located within the Route 25 Redevelopment Project Area, and is attempting to attract a transmission or brake repair franchise for the used car building on the north end of the site. With the exception of occupation of the northernmost building, the main facility has been purchased and renovated with TIF assistance from the Village. A TIF revenue bond for \$2,360,000 was issued with \$1,550,000 being dedicated as a mortgage loan to the developer, and \$700,000 being granted as an "up front" TIF investment project. The bond has the general obligation backing of the Village. The Village expects to realize \$75,000 in sales tax and TIF revenue the first year, and also anticipates about a 10% growth in this figure for the first 8 to 10 years. The business opened operations in August 2012.
- Efforts to re-occupy the River Valley Square Shopping Center have progressed slower than anticipated. The past fiscal year saw several smaller new tenants move in but the anchor tenant space remains empty.
- The former Santa's Village property has re-opened with the help of a \$200,000 TIF District incentive provided to the property developers. This first season saw over 91,000 guests enter the park for the first time in over five years. For this fiscal year, attendance has increased 20%. The Village will realize about \$45,000 in TIF increment from this project this year.
- The Van Buren Street Reconstruction Project was initiated in September 2012 and will be completed in December 2013. The Village's share of this development is in a reserve account and was included in a general obligation bond issuance completed in April 2012.

- The water filtration facility in the Prairie Lakes Business Park was completed and put on line in May 2012. The \$3,200,000 construction cost was accomplished with a low-interest loan through the Illinois Environmental Protection Agency.
- Construction of the Christina Drive Water Loop for about \$900,000 is anticipated to begin in November 2012. Those funds are in a reserve account raised from a general obligation bond issuance completed in April 2012.
- Replacement of the Route 25 sanitary force main, from Milk Pain Restaurant to Spring Hill Ford and the construction of a gravity sewer along Route 25 from the former TORCO building to Milk Pail restaurant were completed in January 2012.
- Development of a business marketing plan to attract and retain new retail/office/manufacturing uses.
- Continued cooperation with the neighboring villages in reviewing opportunities for shared services.
- Support with other area municipalities to move forward the Longmeadow Bridge construction to alleviate traffic congestion.
- Continued efforts to reduce municipal expenditures and diversify revenues to maintain current services provided by the Village.

The economic development climate within the Village remains dynamic, as is common in municipalities. While the risk of the loss of a significant economic contributor always exists, the Village remains vigilant in seeking to retain existing Village residents and businesses as well as attracting new opportunities. This includes the possible use of annexation and the other tools afforded by the Village's home rule status. See "RISKS- Risk of Discontinued Operations"

Property Taxes

The following table sets forth certain information concerning property tax levies, collections and property valuations in the Village.

TAX LEVY YEAR/ COLLECTION YEAR	<u>2011/12</u>	<u>2010/11</u>	<u>2009/10</u>	<u>2008/09</u>	<u>2007/08</u>
Equalized Assessed Valuation	\$106,396,277	\$112,333,879	\$120,237,851	\$126,064,801	\$124,101,183
Tax Extensions/Net Certified To Collect ⁽¹⁾	\$566,397	\$570,473	\$542,600	\$543,393	\$522,205
Total Taxes Collected During Year	\$547,045 ⁽²⁾	\$569,310	\$542,559	\$541,314	\$519,807
Total Collections as a Percentage of Extensions ⁽³⁾	96.58% ⁽²⁾	99.80%	99.99%	99.62%	99.54%

⁽¹⁾ A separate levy is filed for Kane County and Cook County.

⁽²⁾ Partial year collections – includes property taxes paid through October 2, 2012.

⁽³⁾ Total taxes collected includes collections of delinquent taxes, back tax contributions, property tax abatements and taxes paid under protest as of October 10, 2012

Source: Offices of Kane and Cook County Clerks and Offices of Kane and Cook County Treasurers

Top Ten Taxpayers Within the Village

The ten largest taxpayers in the Village according to the 2011 Equalized Assessed Valuations (the most recent data available) as shown below.

<u>Taxpayer Name</u>	<u>Type of Business, Property</u>	<u>Equalized Assessed Valuation, 2011</u>	<u>% of Total EAV, 2011⁽³⁾</u>
Dundee/Ros Limited Partnership ⁽¹⁾	Wal-Mart Retail Store ⁽⁴⁾	\$2,195,261	2.06%
River Valley Square Associates, Ltd. ⁽¹⁾	Retail stores, restaurants	2,019,262	1.90%
SV (East Dundee) LLC ⁽¹⁾	Commercial	1,854,964	1.74%
Shilkus Properties LLC ⁽¹⁾	Industrial	1,105,000	1.04%
Pal Land LLC ⁽²⁾	Commercial	948,735	0.89%
Inverness Realty Partners LLC ⁽¹⁾	Industrial	912,164	0.86%
Haeger Potteries Inc. ⁽¹⁾	Industrial	880,809	0.83%
Beltrami Enterprises, Inc. ⁽¹⁾	Industrial	834,217	0.78%
Individual ⁽¹⁾	Commercial	823,496	0.77%
Club Meadow LLC ⁽¹⁾	Industrial	<u>795,495</u>	<u>0.75%</u>
Totals		\$12,369,403	11.62%

⁽¹⁾ Property located in a TIF District of Village

⁽²⁾ Property partially located in a TIF District of the Village

⁽³⁾ The Total EAV of the Village for tax year 2011 is \$106,396,277

⁽⁴⁾ The Village has been advised that Wal-Mart will be relocating store number 1531 to Carpentersville, Illinois, but the store is not expected to cease operations in East Dundee until the end of 2014. See "RISKS- Risk of Discontinued Operations".

Source: Kane and Cook County Clerks

Equalized Assessed Valuation

The following table sets forth the amount of equalized assessed valuation of the Village by category for the tax levy years 2007 through 2011.

Equalized Assessed Valuation by Property Classification

By Classification:

	<u>2011 EAV</u>		<u>2010 EAV</u>		<u>2009 EAV</u>		<u>2008 EAV</u>		<u>2007 EAV</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Residential	\$69,137,073	65.0%	\$78,436,323	69.8%	\$85,368,710	71.0%	\$90,980,861	72.17%	\$88,803,991	71.6%
Commercial	28,256,529	26.6%	26,244,755	23.4%	26,680,600	22.2%	26,826,784	21.28%	27,257,097	22.0%
Industrial	8,993,708	8.5%	7,644,650	6.8%	8,181,131	6.8%	8,250,419	6.54%	8,033,997	6.5%
Farm	<u>8,967</u>	<u>0.0%</u> ⁽¹⁾	<u>8,151</u>	<u>0.0%</u> ⁽¹⁾	<u>7,410</u>	<u>0.0%</u> ⁽¹⁾	6,737	0.01%	<u>6,098</u>	0.0%
Total ⁽²⁾	\$106,396,277	100.0%	\$112,333,879	100.0%	\$120,237,851	100.0%	\$126,064,801	100.0%	\$124,101,183	100.0%

By County:

Kane	105,108,329	110,903,114	118,776,693	123,791,956	121,931,122
Cook	<u>1,287,948</u>	<u>1,430,765</u>	<u>1,461,158</u>	<u>2,272,845</u>	<u>2,170,061</u>
Total EAV	106,396,277	112,333,879	120,237,851	126,064,801	124,101,183

(1) Less than 0.1%

(2) Totals may not add due to rounding

Source: Kane and Cook County Clerks

Tax Rates

The following is a table showing the actual tax rates levied by the Village per \$100 of Equalized Assessed Valuation on property located in the Village for the past five tax levy years. **Because the Village is a home rule unit, no statutory limits apply to the Village's tax rates.**

Village Tax Rates

<u>Purpose</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Corporate	\$0.011267	\$0.045706	\$0.093469	\$0.117218	\$0.113730
IMRF	0.043745	0.038535	0.035771	0.041806	0.040560
Road & Bridge	0.000000	0.000000	0.000000	0.000000	0.000000
Police Pension	0.362781	0.319574	0.214788	0.167471	0.162484
Social Security	0.114203	0.100602	0.107394	0.107016	0.103834
Prior Year Adjustment	<u>0.000146</u>	<u>0.003263</u>	<u>-0.000368</u>	<u>-0.002761</u>	<u>0.000000</u>
Total Village Tax Rate ⁽¹⁾	\$0.532142	\$0.507680	\$0.451054	\$0.430750	\$0.420608

(1) Tax rate is applicable for property only in Kane County; Less than 2% of Village's EAV is attributable to property located in Cook County for which different tax rates are applicable.

Source: Kane County Clerk

The following table sets forth a detailed breakdown of the representative tax rate for property in the Village for 2007 through 2011.

Detail of Representative Total Tax Rate, 2006-2010

<u>Taxing Body</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Kane County	\$0.398980	\$0.372975	\$0.339794	\$0.333610	\$0.332164
Kane County Forest Preserve District	0.260923	0.220104	0.199732	0.193217	0.197429
Dundee Township	0.185382	0.168769	0.149761	0.141501	0.144039
Dundee Township Road District	0.083800	0.077419	0.069510	0.067313	0.067860

Community Unit School District					
No. 300	4.798716	4.461504	3.968673	3.860336	3.867268
Community College District					
No. 509	0.445355	0.440733	0.383250	0.327535	0.328009
Village of East Dundee	0.532142	0.507680	0.451054	0.430750	0.420608
Dundee Township Park District	0.455281	0.425146	0.374721	0.364791	0.371604
Dundee Township Library District	0.158220	0.145610	0.130570	0.127290	0.127860
East Dundee Fire District	<u>0.686496</u>	<u>0.752271</u>	<u>0.610141</u>	<u>0.603482</u>	<u>0.600397</u>
Total Tax Rate (Tax Code DU013)	\$8.005295	\$7.572211	\$6.677206	\$6.449825	\$6.457238

Source: Kane County Clerk

KANE COUNTY REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

Summary of Property Assessment, Tax Levy and Collection Procedures

The information under this caption describes the current procedures for real property assessments, tax levies and collections in Kane County, Illinois. There can be no assurance that the procedures described herein will not change.

Tax Levy and Collection Procedures

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Department assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula, which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

Exemptions

An annual General Homestead Exemption provides that the Equalized Assessed Valuation ("EAV") of certain property owned and used for residential purposes ("Residential Property") may be reduced up to \$5,000 for assessment year 2004 through 2007 in all counties. Additionally, the maximum reduction is \$5,500 for assessment year 2008 and the maximum reduction is \$6,000 for assessment year 2009 and thereafter in all counties.

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event. The exemption is limited to \$45,000 through December 31, 2003, and \$75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption ("*Senior Citizens Homestead Exemption*") operates annually to reduce the EAV on a senior citizen's home for assessment years prior to 2004 by \$2,000 in counties with less than 3,000,000 inhabitants. For assessment years 2004 and 2005, the maximum reduction is \$3,000 in all counties. For assessment years 2006 and 2007, the maximum reduction is \$3,500 in all counties. In addition, for assessment year 2008 and thereafter, the maximum reduction is \$4,000 for all counties. Furthermore, beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption ("*Senior Citizens Assessment Freeze Homestead Exemption*") freezes property tax assessments for homeowners, who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$35,000 for years prior to 1999, \$40,000 for assessment years 1999 through 2003, \$45,000 for assessment years 2004 and 2005, \$50,000 for assessment years 2006 and 2007 and for assessment year 2008 and after, the maximum income limitation is \$55,000. In general, the Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. For those counties with less than 3,000,000, the exemption is as follows: through assessment year 2005 and for assessment year 2007 and later, the exempt amount is the difference between (i) the current EAV of the residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the Exemption (plus the EAV of improvements since such year). For assessment year 2006, the amount of the exemption phases out as the amount of household income increases. The amount of the exemption is calculated by using the same formula as above, and then multiplying the resulting value by a ratio that varies according to household income.

Another exemption available to disabled veterans operates annually to exempt up to \$70,000 of the EAV of property owned and used exclusively by such veterans or their spouses for residential purposes. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption ("*Disabled Persons' Homestead Exemption*") or the Disabled Veterans Standard Homestead Exemption ("*Disabled Veterans Standard Homestead Exemption*") cannot claim the aforementioned exemption. Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

Furthermore, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

In addition, the Disabled Veterans Standard Homestead Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 75% are granted an exemption of \$5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50% are granted an exemption of \$2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the

homestead and does not remarry. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

Beginning with assessment year 2007, the Returning Veterans' Homestead Exemption (*"Returning Veterans' Homestead Exemption"*) is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of \$5,000, which is applicable in all counties. In order to apply for this exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, subject to some limitations. Those individuals eligible for this exemption may claim the exemption in addition to other homestead exemptions, unless otherwise noted.

Property Tax Extension Limitation Law

Because the Village is a home rule unit of government, the Property Tax Extension Limitation Law does not, in its current form, limit the taxing authority or debt issuance ability of the Village.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "*Law*") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

Tax Increment Financing in Illinois

Tax increment financing ("*TIF*") in Illinois provides a means for municipalities, after the approval of a "Redevelopment Plan and Project," to redevelop blighted, conservation, or industrial park conservation areas by pledging the anticipated increase in tax revenues resulting from the tax increment area and using these new tax revenues generated by private redevelopment to pay for certain public and private costs incurred. Tax increment financing is authorized in Illinois by the TIF Act.

The Village designated the Route 25 South Redevelopment Project Area pursuant to the TIF Act on August 20, 2012. Designation of the Route 25 South Redevelopment Project Area allows the Village to use incremental property taxes in the Route 25 South Redevelopment Project Area to fund a broad range of improvements to leverage private development within the Route 25 South Redevelopment Project Area. Pursuant to the Bond Ordinance and the TIF Act, the Village has pledged the Incremental Property Taxes from each of the Route 25 South Redevelopment Project Area, the Route 25 Redevelopment Project Area, the Prairie Lakes Redevelopment Project Area and the Downtown TIF Redevelopment Project Area for the payment of principal and interest on the Bonds.

RISK FACTORS

Investment in the Bonds involves risks which may not be appropriate for certain investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth in this Limited Offering Memorandum, in evaluating the Bonds which are not rated by a recognized rating agency. This discussion does not purport to be comprehensive or definitive. The occurrence of one or more of the events discussed herein could adversely affect the ability to generate sufficient Pledged Revenues to make full and punctual payments of debt service on the Bonds. In

addition, the occurrence of one or more of the events discussed herein could adversely affect the value of any or all of the Redevelopment Project Areas.

THERE CAN BE NO ASSURANCE THAT THE OWNERS OR LESSEES OF REAL ESTATE WITHIN THE RESPECTIVE REDEVELOPMENT PROJECT AREAS WILL GENERATE A SUFFICIENT AMOUNT OF PLEDGED TAXES SUCH THAT THERE WILL BE SUFFICIENT MONEYS TO PAY PRINCIPAL AND INTEREST ON THE BONDS WHEN DUE. THE ABILITY OF SUCH PROPERTY OWNERS AND TENANTS TO GENERATE INCREMENTAL PROPERTY TAXES IS DEPENDENT ON AND SUBJECT TO FUTURE EVENTS AND CIRCUMSTANCES WHICH CANNOT BE FORESEEN OR PREDICTED WITH CERTAINTY. THERE CAN BE NO ASSURANCE THAT THE PROJECTIONS AND ASSUMPTIONS SET FORTH IN THE ESTIMATE OF INCREMENTAL PROPERTY TAXES WILL BE ACHIEVED, INCLUDING PROVIDING ADVICE ON THE PLAN OF FINANCING AND STRUCTURE OF THE BONDS, AND, IN CONNECTION WITH THE RENDERING OF SUCH ADVICE, HAS REVIEWED AND PROVIDED INFORMATION IN CONNECTION WITH THE PREPARATION OF CERTAIN LEGAL AND DISCLOSURE DOCUMENTS, INCLUDING THIS LIMITED OFFERING MEMORANDUM AND THE INDENTURE.

Limited Source of Funds

The Bonds, together with the interest thereon, are limited obligations of the Village, payable solely from the Pledged Revenues and the amounts on deposit in certain of the funds and accounts established and maintained under the Indenture. The Incremental Property Taxes are subject to, and may be reduced by, amounts needed to satisfy the Priority Lien. In any year the Incremental Property Taxes may not be sufficient to provide for the payment of debt service on the Bonds.

The Bonds are not general obligations of the Village and do not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation. No holder of the Bonds shall have the right to compel the exercise of any taxing power of the Village for payment of principal thereof or interest or premium, if any, thereon. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Assumptions in Estimate of Pledged Revenues

The TIF Consultant has prepared the Estimate of Incremental Property Taxes attached hereto as APPENDIX A. It is based on numerous assumptions set forth therein which are material to the estimates of Pledged Revenues estimated to be collected. Prospective investors should carefully read and consider the assumptions set forth in the Estimate of Incremental Property Taxes. The assumptions cited therein, if incorrect, could adversely affect the forecasts of Pledged Revenues. Any circumstances adversely affecting the generation of Pledged Revenues will also have an adverse affect on the ability of the Village to make timely payment of principal of and interest on the Bonds. No representation or warranty is or can be made about the amount or timing of any future income, loss, occupancy, valuation, increased assessment or revenues, or that actual results will be consistent with the TIF Consultant's report or with the forecasts contained therein. There is no assurance that actual events will correspond with the projections or assumptions, estimates and/or the opinions on which they are based.

Information Not Verified

Information concerning the Redevelopment Project Areas, the Existing Development and the Proposed Development have been obtained from the Village, the Developer, the River Haven Developer and other sources believed to be reliable, but information involving predictions of future events, such as projected occupancy status, sales, assessments and the ability of the Village and the Developer and the

River Haven Developer to retain creditworthy tenants, is, by its nature, not subject to verification. Estimates herein of future Incremental Property Taxes to be generated are based upon the River Haven Developer's experience with the rental housing and the Developer with the firearms markets and the such developers' assumptions that the Proposed Development will be constructed and occupied as scheduled.

Risk of Natural Disaster

In the event of a natural disaster severely damaging the any facilities within any of the Redevelopment Project Areas, there can be no assurance that such facilities will be rebuilt. In such case, generation of Pledged Revenues would be adversely affected. There can be no assurance that comprehensive insurance will be properly maintained or that the proceeds therefrom will be sufficient or even available to repair or rebuild the improvements within the Redevelopment Project Areas or that the owners or tenants will choose to repair or rebuild such improvements. In addition, certain types of losses may not be covered by existing insurance policies. Furthermore, any insurance proceeds will not be assigned as security for the payment of real estate or to secure payment of the Bonds. The restoration of any of the Redevelopment Project Areas may be delayed by other factors, or the terms of then-applicable mortgage financing could require the application of insurance proceeds to the reduction of mortgage balances. Any of the foregoing circumstances could result in the assessed valuation of property in the Redevelopment Project Areas, or any of them, remaining low for an indefinite period of time and decrease the amount of Pledged Revenues available to pay debt service on the Bonds. The Annexation Agreement provides that the Developer shall not be required to install a sprinkler system to any structures located on the Gat Guns Property which were in existence as of the date of the Annexation Agreement or as such structures are improved or altered from time to time thereafter.

The restoration of any part of the Existing Developments and/or Proposed Development, or the other improvements with the Existing Development and/or Proposed Development, or any part thereof, may be delayed by other factors, or the terms of then-applicable mortgage financing could require the application of insurance proceeds to the reduction of mortgage balances. Any of the foregoing circumstances could result in the assessed valuation of Existing Development and/or the Proposed Development remaining low for an indefinite period of time and decrease in the projected amount of Incremental Property Taxes herein.

Risk of Failure to Maintain Levels of Assessed Valuations

The assessed value of the property within the Redevelopment Project Areas are reassessed annually with a comprehensive review of assessed values by the Dundee Township Assessor (the "*Township Assessor*") each four years, with the last comprehensive reassessment occurring in 2010. There can be no assurance that the projected equalized assessed value of the (i) Proposed Development will initially be assessed in the amount that is assumed in the Estimate of Incremental Property Taxes, and (ii) Existing Development or the Proposed Development will increase at the rate assumed in the Estimate of Incremental Property Taxes throughout the term of the Bonds. Furthermore, the successful application of any owner of the Existing Development or the Proposed Development for the reduction of the assessed value of the Existing Development or the Proposed Development, as the case may be, may cause the assessed value of the Existing Development or the Proposed Development, as the case may be, to be less than the assessed value of the Existing Development or the Proposed Development, as the case may be, projected in the Estimate of Incremental Property Taxes. If any time during the term of the Bonds the actual assessed value is less than projected, the generation of Incremental Property Taxes could be significantly impaired.

Risks Associated with Generation of Incremental Property Taxes

Kane County's method used to assess properties in the Redevelopment Project Areas may be altered for land value, resulting in a potentially reduced or altered valuation in a particular year. The State of Illinois multiplier is also subject to change annually. Additionally, Kane County could fail to remit property taxes to the Village on a timely basis. Any reduction in assessed valuation or the State multiplier or any failure by Kane County to remit property taxes to the Village on a timely basis could have a material adverse effect on the Pledged Revenues.

Property tax rates are established by a number of different taxing bodies. Any lowering of tax rates by any taxing bodies in any of the Redevelopment Project Areas could have a material adverse effect on the Pledged Revenues. Changes in County formulas for determining property taxes could also result in a decline in Pledged Revenue. See "KANE COUNTY REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION — Tax Levy and Collection Procedures."

In addition, there are numerous taxpayers from whom the Incremental Property Taxes are generated, the identity and creditworthiness of which is subject to change. Failure to remit property taxes when due by the owner of any property within the Redevelopment Project Areas for any reason could result in delays in receipt of Incremental Property Taxes.

Risk of Changes in Market Conditions, Changes in General Economic Conditions and Future Competition

The financial viability of the Existing Development and the Proposed Development and, therefore, the generation of Incremental Property Taxes could be significantly impaired as a result of changes in market conditions, changes in market conditions, changes in general economic conditions and competition from other office developments, retail developments, restaurants, banks or other competitive facilities, either now existing or developed in the future, in the areas surrounding the Existing Development and Proposed Development. It is expected that the Existing Development and the Proposed Development will face increased competition in the future. Competitors may have substantially greater marketing and financial resources than the owners/operators of the Existing Development and/or the Proposed Development and may improve their facilities, reduce their prices or expand or improve their marketing programs in ways that adversely affect the Existing Development and the Proposed Development. In the event such increased competition occurs, it would likely result in decreased sales for the retailers in the Existing Development and/or the Proposed Development and, therefore, may reduce significantly the projected amount of Incremental Property Taxes.

Risk of Financing

The Developer and the River Haven Developer are assumed to have commitments for financing their respective proposed developments. There can be no assurance that such financing will be obtained. In the absence of such financing, the Developer and the River Haven Developer may be unable to complete the Proposed Development, which could result in a reduction of the projections of Incremental Property Taxes set forth in the Estimate of Incremental Property Taxes.

Local, State and Federal Land Use Regulations

There can be no assurance that land development operations within the Proposed Development will not be adversely affected by future government policies, including, but not limited to, governmental policies which directly or indirectly restrict or control development. The Redevelopment Agreement and the Development Agreement cannot limit the application of state or federal laws and regulations which have preemptive effect on local land use regulations. During the past several years, state and federal

regulatory agencies have significantly expanded their involvement in local land use matters through increased regulatory enforcement of various environmental laws, including the Endangered Species Act, the Clean Water Act and the Clean Air Act, among others. Such regulations can substantially impair the rate and amount of development without requiring just compensation unless the effect of the regulation is to deny all economic use of the affected property. Any of the above events that significantly impairs the ability to develop the Proposed Development could cause a reduction in the amount of the projected Incremental Property Taxes set forth in the Estimate of Incremental Property Taxes.

Failure to Develop Properties

Development of land is subject to economic considerations affecting the Developer, the River Haven Developer and the Village and prospective purchasers of developed property including interest rates and the general economic climate of the region surrounding the Proposed Development. The failure to complete development of the required infrastructure or substantial delays in the completion of the Proposed Development due to litigation or other factors may affect the completion of the Proposed Development and could result in the reduction in the projected amount of Incremental Property Taxes in the Estimate of Incremental Property Taxes. There can be no assurance that the Developer or the River Haven Developer will comply with the terms of the Redevelopment Agreement or the Development Agreement, as the case may be, or that the Village will not terminate such agreements if the applicable developer fails to comply with its terms which could result in the reduction in the projected amount of Incremental Property Taxes in the Estimate of Incremental Property Taxes. See "THE REDEVELOPMENT AGREEMENT."

Completion of Construction of the Proposed Development

Failure by the River Haven Developer to complete the construction of the River Haven Development or the Developer to complete the rehabilitation and construction of the Project, each as described herein and/or within the time frame described herein, could result in a reduction in the projected amount of Incremental Property Taxes projected in the Estimate of Incremental Property Taxes.

Risk of Legislative and Judicial Changes

Future legislation, regulations, governmental or judicial interpretation of regulations or legislation or practices and procedures related to property tax assessment, application, collections, reporting or distribution could have a material effect on the calculation or availability of the various taxes making up the Pledged Revenues. There is no assurance that legislation will not be considered or enacted in the future that may repeal or otherwise adversely affect the various taxes making up the Pledged Revenues received by the Village, and unless provision is made in such legislation, the generation of the Pledged Revenues could be materially adversely affected. There can be no assurance that the current system of reporting, collection and distribution of the various taxes will not be changed by any competent authority having jurisdiction to do so, including, without limitation, the State, the Village, the courts or the voters. For example, legislation was introduced into the Illinois General Assembly which would have prohibited the utilization of incremental taxes across contiguous redevelopment project areas as provided in 65 ILCS 5/11-74.4-4(q), but such proposed legislation was not enacted. If such proposed legislation had been enacted, the security for the Bonds would have been effected.

Bankruptcy

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency, fraudulent transfer or conveyance, or other similar laws affecting the rights of creditors generally.

Limitation on Remedies; No Acceleration

Remedies available to holders of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds, or to preserve the tax-exempt status of the Bonds. Bond Counsel has limited its opinions to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, insolvency, fraudulent transfer and conveyance, or other similar laws affecting the rights of creditors generally. Additionally, the Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Indenture, including payment default. Lack of remedies may entail risks of delay, limitation, or modification of the rights of the holders of the Bonds. Judicial remedies, such as foreclosure and enforcement of covenants, are subject to exercise of judicial discretion.

FUTURE LEGISLATION, REGULATIONS, GOVERNMENTAL OR JUDICIAL INTERPRETATION OF REGULATIONS OR LEGISLATION OR PRACTICES AND PROCEDURES RELATED TO PROPERTY TAX ASSESSMENT, LEVY, COLLECTIONS OR DISTRIBUTION COULD HAVE A MATERIAL EFFECT ON THE CALCULATION OR AVAILABILITY OF PLEDGED TAXES COLLECTED OR DISTRIBUTED. THE ABOVE IS NOT INTENDED TO BE A COMPREHENSIVE DISCUSSION OF ALL POTENTIAL RISKS ASSOCIATED WITH SUCH MATTERS OF TAX ASSESSMENT AND COLLECTION

Risk of Change in Incremental Property Taxes

County methodology and procedures used to assess the value of property may be altered resulting in a potentially reduced or altered valuation in a particular year or succession of years. The State equalization factor or multiplier for Kane County is subject to change annually by the Department.

The assessment and revenue estimates used in the Estimate of Incremental Property Taxes are based on the current status of the national and local business economy and assume a future performance of the real estate, retail and automobile markets similar to their respective historical performances in the geographic area.

FUTURE LEGISLATION, REGULATIONS, GOVERNMENTAL OR JUDICIAL INTERPRETATION OF REGULATIONS OR LEGISLATION OR PRACTICES AND PROCEDURES RELATED TO PROPERTY TAX ASSESSMENT, LEVY, COLLECTIONS OR DISTRIBUTION COULD HAVE A MATERIAL EFFECT ON THE CALCULATION OR AVAILABILITY OF INCREMENTAL PROPERTY TAXES COLLECTED OR DISTRIBUTED. THE ABOVE IS NOT INTENDED TO BE A COMPREHENSIVE DISCUSSION OF ALL POTENTIAL RISKS ASSOCIATED WITH THIS TRANSACTION.

Risk of Occupancy

There is no assurance that any leasing or use of the space within the Existing Development and the Proposed Development will achieve or maintain the projected occupancy assumed in the Estimate of Incremental Property Taxes. There can be no assurance that, when a lease expires or is terminated for any reason, the lease will be extended or that the space will be re-leased. A failure to re-lease space could adversely affect the Incremental Property Taxes projected in the Estimate of Incremental Property Taxes.

Risk of Default or Discontinued Operations

The generation of Incremental Property Taxes could be significantly impaired if (i) River Haven Developer does not complete the construction of the River Haven Development, or (ii) the Developer does not complete the construction and rehabilitation of the Project as provided in the Redevelopment

Agreement. Leases may grant tenants the right to terminate their respective leases under a number of different conditions. In addition, the any tenants within the Proposed Development may have the right to terminate their respective leases in the event of fire or other casualties, condemnation, a breach by the landlord of its obligations under the lease, or the existence of hazardous wastes not caused by the tenant could result in a reduction of the projected Incremental Property Taxes in the Estimate of Incremental Property Taxes.

If any owner, operator or lessee of the Existing Development and/or Proposed Development experiences financial difficulties resulting in an inability to operate its business or pay property taxes, Incremental Property Taxes from such developments could be reduced significantly. No assurance can be given that the Existing Development, the Proposed Development or other owners and/or tenants of the property within the Existing Development or Proposed Development will open or continue to operate as viable business enterprises. Operations may be discontinued in the Existing Development and/or the Proposed Development for a number of reasons. Cessation of operations would adversely impact the projections of Incremental Property Taxes herein. Any of the properties in the Existing Development or the Proposed Development may become subject to claims of creditors for liabilities unrelated to the facilities, in amounts which could force any or all of them into bankruptcy or receivership and which could adversely impact the availability of Incremental Property Taxes.

TAX EXEMPTION

In the opinion of Ice Miller LLP, Bond Counsel, based on existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, as described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes and is included in adjusted current earnings in determining federal alternative minimum taxable income of corporations. A copy of the proposed form of the opinion of Ice Miller LLP, as Bond Counsel, is set forth in APPENDIX B.

Interest on the Bonds is not exempt from present Illinois income taxes.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Village has covenanted to comply with certain restrictions and requirements designed to assure that the interest on the Bonds will not be included in gross income for federal income tax purposes. Failure to comply with these covenants may result in such interest being included in gross income for federal income tax purposes, possibly from the original issuance date of the Bonds. The opinion of Ice Miller LLP, as Bond Counsel, assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the issuance of the Bonds may adversely affect the tax status of the interest on the Bonds.

The opinion of Bond Counsel relies on factual representations made by the Village and other persons. Bond Counsel has not verified these representations by independent investigation. Bond Counsel does not purport to be an expert in asset valuation and appraisal, financial analysis, financial projections or similar disciplines. Failure of any of these factual representations to be correct may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the original issuance date of the Bonds.

Certain requirements and procedures contained or referred to in the Bond Ordinance, the Indenture, the Tax Certificate relating to the Bonds and other relevant documents may be changed and

certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Ice Miller LLP.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect an owner's federal tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences except as expressly provided in the opinion of Bond Counsel.

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent the owners from realizing the full current benefit of the tax status of the interest on the Bonds. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

The opinion of Bond Counsel is based on current legal authorities, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment regarding the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts, and it is not a guarantee of result. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Village or about the effect of changes to the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Village has covenanted, however, to comply with the applicable requirements of the Code.

Bond Counsel is not obligated to defend the Village regarding the tax-exempt status of the Bonds in the event of an examination by the IRS. Under current IRS procedures, the owners and other parties other than the Village would have little, if any, right to participate in an IRS examination of the Bonds. Moreover, because obtaining judicial review in connection with an IRS examination of tax-exempt obligations is difficult, obtaining independent review of IRS positions with which the Village legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for examination, or the course or result of such an examination, or an examination of Bonds presenting similar tax issues may affect the market price, or the marketability, of the Bonds, and may cause the Village or the owners to incur significant expense.

Original Issue Discount

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant rate compounded on periodic compounding (with straight-line interpolations between compounding dates). In general, the length of the interval between periodic compounding dates cannot exceed the interval between debt service payments on such Bonds and must begin or end on the date of such payments. The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or

loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult with their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds are sold to the public.

Premium

Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("*Premium Bonds*") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of Bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax exempt interest received, and an owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Qualified Tax-Exempt Obligations

Pursuant to the Bond Ordinance, the Village has designated the Bonds as "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

LITIGATION

General

There is no controversy or litigation of any nature pending or, to the knowledge of the Village, threatened which, in the opinion of the Village Attorney, may present material financial liability to the Village.

The Bonds

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Village taken with respect to the issuance or sale thereof.

CONTINUING DISCLOSURE AGREEMENT

The Bonds are being initially issued in authorized denominations of \$100,000 or integral multiples of \$5,000 in excess thereof and are being offered to less than thirty-five (35) institutional investors. Accordingly, the Bonds will be exempt from the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Notwithstanding the foregoing, the Village has entered into a Continuing Disclosure Agreement pursuant to which certain information is to be provided by the Village to the Underwriter and the holders of the Bonds.

Pursuant to the Continuing Disclosure Agreement, the Village has agreed that on or before one hundred eighty (180) days after the end of each fiscal year of the Village or as soon as thereafter as the audited financial statements of the Village become available while any Bonds remain outstanding, the Village shall provide to the Underwriter an annual audit of the Special Tax Allocation Fund of each of the

Redevelopment Project Areas, and on or before June 1 of each year the Village shall provide to the Underwriter the equalized assessed value of each parcel of property in the Redevelopment Project Areas and the applicable tax rates and total incremental property taxes levied for each of the Redevelopment Project Areas.

Upon the request of the Underwriter and each beneficial owner of the Bonds, the Village shall provide to such parties any information described in the preceding paragraph, plus account statements showing the balance and activity of the Trustee-held funds and accounts.

PROJECTIONS

The projections prepared with respect to the Project by the TIF Consultant are attached to this Limited Offering Memorandum as APPENDIX A. The report sets forth the TIF Consultant's projections of the various sources of Pledged Revenue to be available for payment of principal of and interest on the Bonds, as well as the assumptions upon which the projections are based. The report also includes a number of limiting conditions and potential risks associated with those projections. No assurance can be given that the projections, or the assumptions upon which they are based, will be prove accurate.

The projections included in the Estimate of Incremental Property Taxes are forward-looking statements and predictions and are not guarantees of result or performance. These statements are based on beliefs and assumptions, which in turn are based on currently available information. These beliefs and assumptions could prove inaccurate. Accordingly, actual outcomes could differ materially from those contained in the Estimate of Incremental Property Taxes.

None of the Village, the Developer or the Underwriter has independently verified the projections or tested the assumptions contained in the Estimate of Incremental Property Taxes.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Ice Miller LLP, Chicago, Illinois, as Bond Counsel (the "*Bond Counsel*") who has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Limited Offering Memorandum or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Limited Offering Memorandum. Certain legal matters will be passed on for the Village by its special counsel, Kathleen Field Orr & Associates, Chicago, Illinois. Certain legal matters will be passed upon for the Underwriter by Arnstein & Lehr LLP, Chicago, Illinois.

FINANCIAL ADVISOR

Kane, McKenna Capital, Inc., Chicago, Illinois (the "*Financial Advisor*"), an affiliate of Kane, McKenna and Associates, Inc., is serving as financial advisor with respect to the sale of the Bonds.

The financial information included herein (excluding the information in the section entitled "ESTIMATED DEBT SERVICE COVERAGE" hereto) has been compiled by the Financial Advisor. Such information does not purport to be a review, audit or forecast of future performance or events and may not conform with accounting principles applicable to compilations of financial information. The Financial Advisor is not obligated to undertake an independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained herein. Furthermore, the Financial Advisor is not obligated by the Village's continuing disclosure agreement.

Kane, McKenna and Associates, Inc., an affiliate of Kane, McKenna Capital, Inc., is also providing certain other financial consulting services to the Village. Kane, McKenna and Associates, Inc. has also served as consultant to the Village with respect to certain other economic development activities and has been compensated separately for such services.

UNDERWRITING

The Underwriter has agreed, subject to certain conditions, to purchase all of the Bonds from the Village at an aggregate price of \$_____ (representing the aggregate principal amount of the Bonds, less an underwriter's discount of \$_____). The offering price may be changed from time to time by the Underwriter. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions set forth in the Bond Purchase Agreement between the Village and the Underwriter.

MISCELLANEOUS

The references, excerpts, and summaries of documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for all payment of the Bonds, and the rights and obligations of the owners thereof.

The information contained in this Limited Offering Memorandum has been compiled from official and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of its date.

Any statement made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, is set forth as such and not as a representation of fact; no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date hereof.

AUTHORIZATION

This Limited Offering Memorandum has been approved for distribution to prospective purchasers of the Bonds on behalf of the Village by the official identified below.

The Village, acting through its Village Clerk, will provide, at the time of delivery of the bonds, a certificate confirming that, to the best of its knowledge and belief, this Limited Offering Memorandum with respect to the Bonds, together with any supplements thereto, at the time of acceptance and adoption of the Bond Ordinance and at the time of delivery of the Bonds, was true and correct in all material respect and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements in light of the circumstances under which they were made, not misleading.

VILLAGE OF EAST DUNDEE,
KANE AND COOK COUNTIES, ILLINOIS

Village President

APPENDIX A
ESTIMATE OF INCREMENTAL PROPERTY TAXES

See attached

APPENDIX B
FORM OF OPINION OF BOND COUNSEL

See attached

APPENDIX C
FORM OF BOND ORDINANCE

See attached

APPENDIX D
FORM OF INDENTURE

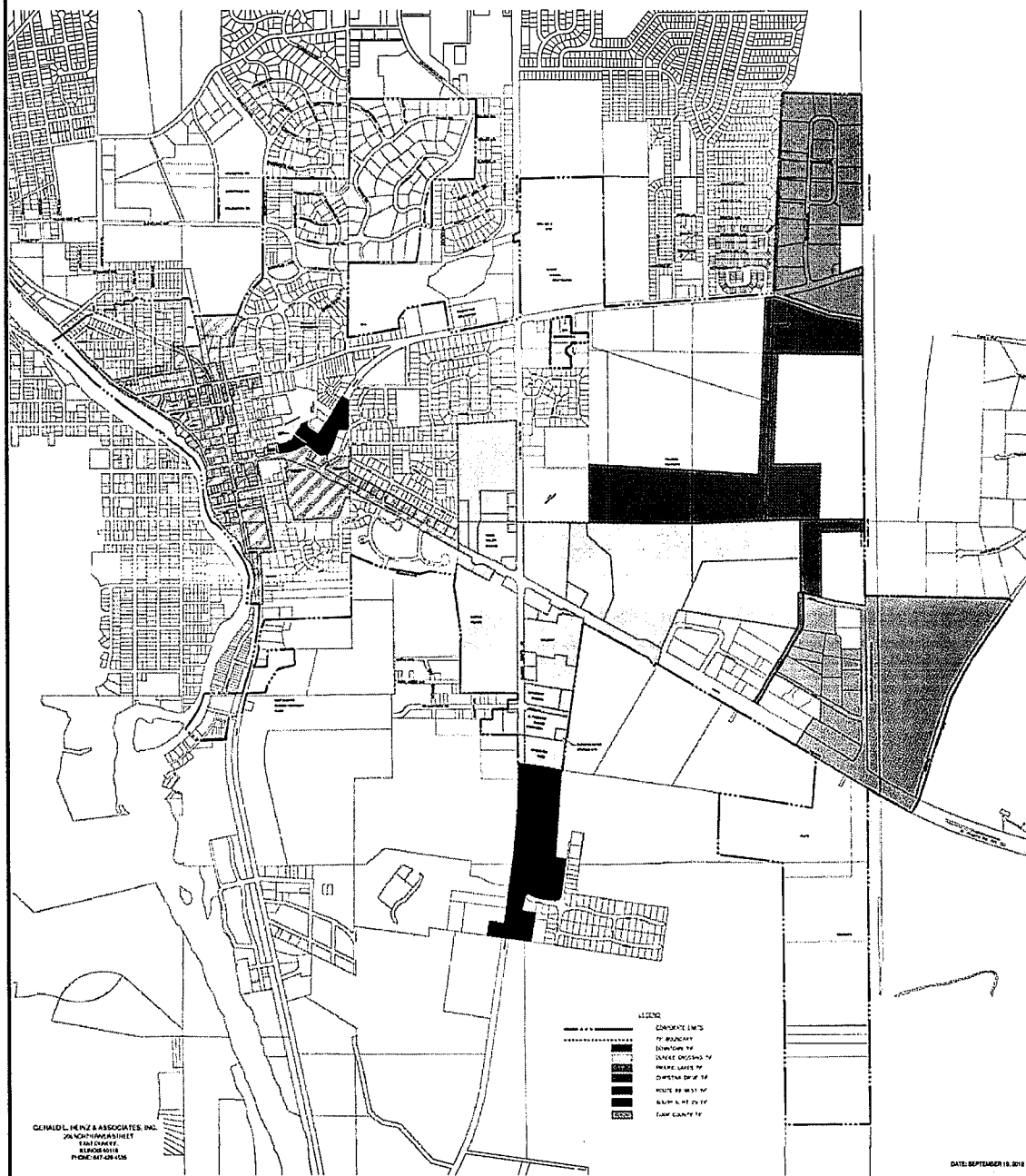
See attached

APPENDIX E
FORM OF CONTINUING DISCLOSURE AGREEMENT

See attached

APPENDIX F
MAP OF REDEVELOPMENT PROJECT AREAS

See following page



**PRELIMINARY ESTIMATE OF INCREMENTAL PROPERTY TAXES
PREPARED IN CONNECTION WITH THE
\$6,675,000*
VILLAGE OF EAST DUNDEE,
KANE AND COOK COUNTIES, ILLINOIS
LIMITED OBLIGATION TAX INCREMENT REVENUE BONDS,
SERIES 2012
(ROUTE 25 SOUTH REDEVELOPMENT PROJECT)**

Prepared By: Kane, McKenna Capital, Inc.

October 30, 2012

***Preliminary, subject to change**

THIS ESTIMATE OF INCREMENTAL PROPERTY TAXES HAS BEEN PREPARED IN CONNECTION WITH THE PROPOSED ISSUANCE OF \$6,675,000* VILLAGE OF EAST DUNDEE, KANE AND COOK COUNTIES, ILLINOIS, LIMITED OBLIGATION TAX INCREMENT REVENUE BONDS, SERIES 2012 (ROUTE 25 SOUTH REDEVELOPMENT PROJECT). UTILIZATION OR REPRODUCTION OF ALL OR ANY PORTION OF THIS REPORT WITHOUT THE EXPRESS WRITTEN CONSENT OF KANE, MCKENNA CAPITAL, INC. IS PROHIBITED.

THIS ESTIMATE OF INCREMENTAL PROPERTY TAXES HAS BEEN PREPARED BASED UPON INFORMATION THAT THE AUTHORS BELIEVE TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY. ANY STATEMENTS MADE HEREIN INVOLVING MATTERS OF OPINIONS OR ESTIMATES, WHETHER OR NOT TO EXPRESSLY STATED, ARE SET FORTH AS SUCH AND NOT AS REPRESENTATIONS OF FACT, AND NO REPRESENTATION IS MADE THAT ANY SUCH ESTIMATES WILL BE REALIZED. SUCH STATEMENTS ARE SUBJECT TO CERTAIN RISKS, UNCERTAINTIES AND ASSUMPTIONS. SHOULD ONE OR MORE OF THESE RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE ANTICIPATED, ESTIMATED, OR EXPECTED. NO PERSON HAS BEEN AUTHORIZED BY KANE, MCKENNA CAPITAL, INC. TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE CONTENTS OF THIS REPORT. THIS REPORT SHOULD BE CONSIDERED IN ITS ENTIRETY AND NO ONE FACTOR SHOULD BE CONSIDERED MORE OR LESS IMPORTANT THAN ANY OTHER BY REASON OF ITS POSITION IN THIS REPORT. THIS REPORT HAS BEEN BASED UPON FACTS AND CIRCUMSTANCES AVAILABLE TO THE AUTHORS AS OF OCTOBER 30, 2012 AS IS INDICATED HEREIN. ANY CHANGE IN SUCH FACTS OR CIRCUMSTANCES AFTER SUCH DATE COULD ALTER THE RESULTS PRESENTED HEREIN.

THIS ESTIMATE OF INCREMENTAL PROPERTY TAXES IS PRELIMINARY AND SUBJECT TO CHANGE INCLUDING, BUT NOT LIMITED TO, CHANGES RESULTING FROM THE EXECUTION OF THE BOND INDENTURE, AS DEFINED HEREIN. THIS ESTIMATE OF INCREMENTAL TAXES WILL BE ISSUED IN FINAL FORM UPON ADOPTION OF THE BOND ORDINANCE AND EXECUTION OF THE BOND PURCHASE AGREEMENT.

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LIST OF EXHIBITS

EXHIBIT A-1	Historical TIF Analysis (Existing Development)
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EXHIBIT B-1	EAV Projections During Absorption – GAT Guns Development
EXHIBIT B-2	Incremental Property Tax Projections – GAT Guns Development
EXHIBIT C-1	EAV Projections During Absorption – River Haven Development
EXHIBIT C-2	Incremental Property Tax Projections – River Haven Development
EXHIBIT D-1	Incremental Property Tax Projections – TIF No. 1
EXHIBIT D-2	Incremental Property Tax Projections – TIF No. 2 (Excluding River Haven Development)
EXHIBIT D-3	Incremental Property Tax Projections – TIF No. 3
EXHIBIT E	Summary of Projected Incremental Property Tax Revenues

I. INTRODUCTION

Kane, McKenna Capital, Inc. ("KMC") a nationally recognized and acknowledged expert in Illinois public finance and tax increment finance, has been requested by the Village of East Dundee, Illinois (the "Village") to serve as a consultant (the "TIF Advisor") to prepare a report (the "Report") on the analysis of certain incremental property tax revenues to be generated by certain real property development within TIF No. 1 (as such term is hereinafter defined), TIF No. 2 (as such term is hereinafter defined), TIF No. 3 (as such term is hereinafter defined), and TIF No. 6 (as such term is hereinafter defined), (collectively referred to as the "TIF Districts") which are expected to be used to pay the principal of and interest on the Village's Limited Obligation Tax Increment Revenue Bonds, Series 2012 (Route 25 South Redevelopment Project) (the "Bonds").

A. The Tax Increment Finance (TIF) Districts

On October 2, 2000, the Village established the Prairie Lakes Redevelopment Project Area pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et. seq.), as supplemented and amended (the "TIF Act") and Ordinance Nos. 00-22, 00-23 and 00-24 (the "TIF No. 1 Ordinances") passed by the President and Board of Trustees of the Village (the "Board") on October 2, 2000 ("TIF No. 1"). On September 18, 2006, the Village established the Route 25 Redevelopment Project Area pursuant to the TIF Act and Ordinance Nos. 06-40, 06-41 and 06-42 (the "TIF No. 2 Ordinances") passed by the Board on September 20, 2006 (the "TIF No. 2"). On June 18, 2008, the Village established the Downtown TIF Redevelopment Project Area pursuant to the TIF Act and Ordinance Nos. 08-34, 09-35 and 08-36 (the "TIF No. 3 Ordinances") passed by the Board on June 18, 2008 (the "TIF No. 3"). On August 20, 2012, the Village established the South Illinois Route 25 Redevelopment Project Area pursuant to the TIF Act and Ordinance Nos. 12-64, 12-65 and 12-66 (the "TIF No. 6 Ordinances") passed by the Board on August 20, 2012 (the "TIF No. 6").

The TIF Districts currently consist primarily of various housing, retail, industrial and other commercial properties on the tax parcels listed in Exhibit A attached hereto (the "Existing Development").

The Village anticipates a number of additional developments to occur in the TIF Districts. The River Haven Development (as such term is hereinafter defined) is expected to be constructed on one (1) property tax parcel 03-23-479-004 (the "River Haven Development Site").

The River Haven Development Site is located in TIF No. 2. River Haven Place, LP and Gardiner Senior Apartments, LP (the "River Haven Developers") intend to construct an 80-unit, mid-rise apartment building dedicated solely for low income seniors (the "Senior Living Facility") and 68 units of single family and duplex homes dedicated to military veterans and their families (the "Veteran's Living Facility") on the River Haven Development Site (the Senior Living Facility and the Veteran Living Facility are hereafter collectively referred to as the "River Haven Development").

The GAT Guns Development (as such term is hereinafter defined) is expected to be constructed on the following ten (10) property tax parcels encompassing approximately 7.41 acres of land (the "GAT Guns Development Site"):

Property Index Number	Base EAV (2011 Tax Year)
03-36-101-004	241,801
03-36-101-005	43,849
03-36-103-001	2,248
03-36-103-002	5,745
03-36-103-003	8,761
03-36-103-004	7,726
03-36-103-005	5,105
03-36-103-006	5,105
03-36-103-007	4,022
03-35-227-002	<u>12,042</u>
Total	336,404

The GAT Guns Development Site is located in the newly created TIF No. 6. The GAT Guns Development Site currently includes an approximately 23,000 square foot facility that provides for the sales of firearms and fishing equipment and related equipment and activities (the "GAT Guns Facility"). The Village has recently annexed the GAT Guns Development Site in order to provide for the expansion of the GAT Guns Facility to include the construction of an approximately 41,568 square feet of additional retail space (the "GAT Guns Addition") (the GAT Guns Facility and the GAT Guns Addition are hereinafter referred to as the "GAT Guns Development"). The River Haven Development and the GAT Guns Development are hereinafter collectively referred to as the "Proposed Development."

Establishment of the TIF Districts allows the Village to use the ad valorem taxes, if any, arising from the taxes levied upon taxable property in each of the TIF Districts by any and all taxing districts or municipal corporations having power to tax real property in the TIF Districts, which taxes are attributable to the increase in the then current Equalized Assessed Valuation of each taxable lot, block, tract or parcel of real property in each of the TIF Districts over and above the total initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk of Kane County, Illinois (the "County Clerk") all as provided in the TIF Act (the "Incremental Property Taxes") for eligible projects under the TIF Act. The County of Kane calculates the Incremental Property Taxes based on the increases in the Equalized Assessed Valuation for each tax individual tax parcel located within the TIF District above the Initial Equalized Assessed Valuation for such tax parcel. All Incremental Property Taxes which are the result of increases in the Equalized Assessed Values of the tax parcels located within TIF No. 1 are available to be used for eligible projects under the TIF Act within TIF No. 1 and will not be available for general operations of the Village or any underlying or overlapping taxing districts until TIF No. 1's expiration which is scheduled to occur in tax year 2024. All Incremental Property Taxes which are the result of increases in the Equalized Assessed Values of the tax

parcels located within TIF No. 2 are available to be used for eligible projects under the TIF Act within TIF No. 2 and will not be available for general operations of the Village or any underlying or overlapping taxing districts until TIF No. 2's expiration which is scheduled to occur in tax year 2030. All Incremental Property Taxes which are the result of increases in the Equalized Assessed Values of the tax parcels located within TIF No. 3 are available to be used for eligible projects under the TIF Act within TIF No. 3 and will not be available for general operations of the Village or any underlying or overlapping taxing districts until TIF No. 3's expiration which is scheduled to occur in tax year 2032. All Incremental Property Taxes which are the result of increases in the Equalized Assessed Values of the tax parcels located within TIF No. 6 are available to be used for eligible projects under the TIF Act within TIF No. 6 and will not be available for general operations of the Village or any underlying or overlapping taxing districts until TIF No. 6's expiration which is scheduled to occur in tax year 2036.

The TIF No. 1 Initial Equalized Assessed Valuation has been certified by the County Clerk to be \$52,860 for the 2011 tax year. The TIF No. 2 Initial Equalized Assessed Valuation has been certified by the County Clerk to be \$10,307,688 for the 2011 tax year. The TIF No. 3 Initial Equalized Assessed Valuation has been certified by the County Clerk to be \$10,014,328 for the 2011 tax year. The TIF No. 6 Initial Equalized Assessed Valuation relating to the GAT Guns Development Site is estimated to be \$336,404 for the 2011 tax year.

"Equalized Assessed Value" or "EAV" is the assessed value of taxable real property as equalized by the multiplier provided by the Department of Revenue of the State of Illinois for State and County taxes, all as determined by the County Clerk (the "County Clerk") as provided in the Illinois Property Tax Code, as amended.

"TIF No. 1 Initial Equalized Assessed Value" means the Equalized Assessed Value of each taxable lot, block, tract or parcel of real property within TIF No. 1 as last equalized or assessed by the Department of Revenue of the State of Illinois for the County tax year, all as determined by the County Clerk at the time of the establishment and as adjusted for any decreases in Equalized Assessed Value for such property below the Equalized Assessed Value for such property at the time of the establishment of TIF No. 1, all in accordance with the TIF Act.

"TIF No. 2 Initial Equalized Assessed Value" means the Equalized Assessed Value of each taxable lot, block, tract or parcel of real property within TIF No. 2 as last equalized or assessed by the Department of Revenue of the State of Illinois for State and County taxes year, all as determined by the County Clerk at the time of the establishment and as adjusted for any decreases in Equalized Assessed Value for such property below the Equalized Assessed Value for such property at the time of the establishment of TIF No. 2, all in accordance with the TIF Act.

"TIF No. 3 Initial Equalized Assessed Value" means the Equalized Assessed Value of each taxable lot, block, tract or parcel of real property within TIF No. 3 as last equalized or assessed by the Department of Revenue of the State of Illinois for State and County taxes year, all as determined by the County Clerk at the time of the establishment and as adjusted for any decreases in Equalized Assessed Value for such property below the Equalized Assessed Value

for such property at the time of the establishment of TIF No. 3, all in accordance with the TIF Act.

“TIF No. 6 Initial Equalized Assessed Value” means the Equalized Assessed Value of each taxable lot, block, tract or parcel of real property within TIF No. 6 as last equalized or assessed by the Department of Revenue of the State of Illinois for State and County taxes year, all as determined by the County Clerk at the time of the establishment and as adjusted for any decreases in Equalized Assessed Value for such property below the Equalized Assessed Value for such property at the time of the establishment of TIF No. 6, all in accordance with the TIF Act.

B. Description of the Existing Development and the Proposed Development

The Existing Development consists of numerous retail, industrial, housing and other commercial developments including of which the following are the largest taxpayers within the TIF Districts:

<u>Taxpayer</u>	<u>Use</u>
Wal-Mart/Dundee/ROS Limited Partnership	Commercial
River Valley Square Associates, Inc.	Commercial
Sterling Bay Companies LLC	Commercial
Inverness Realty Partners LLC	Industrial
Shilkus Properties LLC	Industrial
Beltran Enterprises, Inc.	Industrial
Palncap One LLC	Industrial
American National Bank and Trust Company	Commercial
James Anderson	Commercial
Frigel North America, Inc.	Industrial

The River Haven Developers will construct the River Haven Development on the Development Site. The Veteran Living Facility is expected to be completed by the end of 2012 and the Senior Living Facility is expected to be completed in January, 2013.

The GAT Guns Development Site is currently owned by GAT Properties, LLC (the “GAT Guns Developer”) and would be leased to GAT Guns, Inc. GAT Guns, Inc. currently operates from an approximately 23,000 square foot facility located on the GAT Guns Development Site. The company commenced operations in 1968 and formally became known as GAT Guns in 1979. The GAT Guns, Inc. currently employs 63 people. GAT Guns Developer proposes to construct the GAT Guns Addition which is to include the construction of approximately 41,568 feet of additional retail space and gun range space. Replacement of the existing inventory of fishing supplies with new higher margin items related to guns (i.e. gun safes) is projected to result in increased sales. Gun range use for “long gun” or rifle target practice is also expected to lead to an increase in retail sales and position the operations favorably in the market place for such target practice as there are limited facilities in Illinois for such uses.

The River Haven Developers and the GAT Guns Developer are hereinafter collectively referred to as the "Developers".

The following Table 1 is a summary of the market values used to determine the Equalized Assessed Value of each of the properties on the Existing Development and the Proposed Development.

Table 1

Project Description	Occup. Date	Avg. Initial	
		Building Sq. Ft.	Market Value Sq. Ft.
GAT Guns Facility	Jul-12	23,000	39.56
GAT Guns Addition	Jan-14	41,568	70.00
Total Building		64,568	

The Village entered into a Redevelopment Agreement dated October 29, 2012 (the "GAT Guns Agreement" or the "Redevelopment Agreement") with the GAT Guns Developer. Pursuant to the Agreement, the Village has agreed to provide certain proceeds thereof for the costs related to the acquisition, rehabilitation and construction of the GAT Guns Development and certain public improvements and the Developer agreed to construct certain commercial improvements (the "Development Costs").

Provisions of the GAT Guns Agreement obligate the GAT Guns Developer to substantially complete construction including an electronic sign, parking lot improvements, remodeling of the existing facility, and add an indoor rifle range, on or before December 31, 2014.

C. Plan of Finance

The Village plans to issue the Bonds on or about November 15, 2012. Proceeds of the Bonds will be used to provide funds to pay for (i) certain costs related to the acquisition, rehabilitation and construction of the GAT Guns Development (ii) certain property assembly and related site preparation costs and costs of constructing certain public facilities and improvements which constitute redevelopment costs incurred within the GAT Guns Development (the "Redevelopment Costs"), (iii) pay capitalized interest on the Bonds; and (iv) pay certain costs of issuance of the Bonds.

The Bonds are being issued pursuant to (i) Section 6 of Article VII of the 1970 Constitution of the State of Illinois, as supplemented by the Illinois Municipal Code, as supplemented and amended (collectively, the "Act"), and (ii) an ordinance authorizing the issuance of the Bonds to be adopted by the Board on November 5, 2012 and (iii) that certain Trust Indenture dated as of October 1, 2012 (the "Indenture") between the Village and Amalgamated Bank of Chicago, as trustee. The Bonds are limited obligations of the Village payable solely and only from (i) Pledged Revenues (as such term is defined in the Indenture) and (ii) amounts on deposit in and to the credit of the various funds and accounts as provided in the Bond Ordinance and the Indenture.

D. Base Information and Assumptions

Critical base information and assumptions which have been provided to KMC for which KMC is not responsible, include the following:

1. The Bonds will provide sufficient proceeds to fund the financing purpose as described in the Bond Ordinance and the Indenture and which proceeds will be used in a manner consistent with the Redevelopment Agreements.
2. Certain historical property tax revenue data for the TIF Districts is based on previous assessed values of properties and tax payments of the properties within the TIF Districts and scheduled receipts of such tax payments are accurate in amounts, and form a reasonable base from which to project future Incremental Property Taxes.
3. Assumptions, with respect to the Proposed Development which include, but are not limited to, types of uses and square footage of development, construction timetables, occupancy timetables and construction budgets described herein and particularly in Section I herein, have been provided to KMC by the River Haven Developer, the GAT Guns Developer and the Village. To the extent that any of such assumptions is modified or revised, the projections contained herein would be materially affected.
4. The Village has and will utilize all proceeds from the Bonds to meet uses allowed by the TIF Act.
5. The Village intends to issue the Bonds on or about November 15, 2012.

E. Sources of Information

In preparing this report, KMC has reviewed the following information:

1. The Village of East Dundee Prairie Lakes Redevelopment Area Redevelopment Plan and Project (the "TIF No. 1 Redevelopment Plan"), and the TIF No. 1 Ordinances.

2. The Village of East Dundee Route 25 Redevelopment Area Redevelopment Plan and Project (the "TIF No. 2 Redevelopment Plan"), and the TIF No. 2 Ordinances.
3. The Village of East Dundee Downtown TIF Redevelopment Area Redevelopment Plan and Project (the "TIF No. 3 Redevelopment Plan"), and the TIF No. 3 Ordinances.
4. The Village of East Dundee South Route 25 Redevelopment Area Redevelopment Plan and Project (the "TIF No. 6 Redevelopment Plan"), and the TIF No. 6 Ordinances.
5. The River Haven Agreement and the GAT Guns Agreement.
6. Certain information from the River Haven Developer regarding the River Haven Development.
7. Certain information from the GAT Guns Developer regarding the GAT Guns Development including construction cost/design information for the GAT Guns Addition.
8. The Certificates executed by the Kane County Clerk providing the (i) TIF No. 1 Initial Equalized Assessed Valuation, (ii) TIF No. 2 Initial Equalized Assessed Valuation, (iii) TIF No. 3 Initial Equalized Assessed Valuation, and (iv) TIF No. 6 Initial Equalized Assessed Valuation.
9. The Bond Ordinance and related certifications concerning the issuance of Bonds.
10. Data pertaining to the equalized assessed valuation of the TIF Districts and individual properties therein, provided by the County.
11. Certain other information supplied to KMC by the River Haven Developers and the GAT Guns Developer pertaining to the description of the Proposed Development including, but not limited to, the dates of completion and occupancy of the Proposed Development, the identification of construction schedules, project costs and certain market information.
12. Current property tax assessment, levy, collection and distribution procedures of the County.

F. Limitations of this Report

The projections contained in this Report are also based upon assumptions that were provided by or reviewed with the following sources:

- Village of East Dundee, Illinois
- County of Kane
- River Haven Developers
- GAT Guns Developer
- State of Illinois
- KMC Comparable Files

Information concerning the Existing Development and the Proposed Development has been obtained from the River Haven Developer, the GAT Guns Developer, the Village, the County and other sources believed to be reliable. However, much of the information involves predictions of future events. Such information is, by its nature, not subject to verification at the time of this Report.

The projections herein present an estimate of the most probable future Incremental Property Tax Revenues based upon the completion and continued occupancy of the Existing Development and the Proposed Development.

Changes in legislation and regulations at all levels of government have affected and may continue to affect projections of Incremental Property Tax Revenues. The future estimates contained in this Report are based upon legislation and regulations currently in effect. IF FUTURE LEGISLATION OR REGULATIONS RELATED TO ASSESSMENT, LEVY, COLLECTIONS OR DISTRIBUTION OF THE INCREMENTAL PROPERTY TAX REVENUES ARE ENACTED, SUCH LEGISLATION OR REGULATIONS COULD HAVE A MATERIAL EFFECT ON THE CALCULATION, AVAILABILITY OR REALIZATION OF ACTUAL PLEDGED REVENUES IN THE FUTURE. (See section entitled "CRITICAL ASSUMPTIONS AND RISKS ASSOCIATED WITH THE PROJECTIONS – Risk of Legislative and Judicial Changes" herein.)

THIS REPORT DOES NOT REACH ANY CONCLUSIONS AS TO THE ADEQUACY OF THE INCREMENTAL PROPERTY TAX REVENUES TO PAY, ON A TIMELY BASIS, PRINCIPAL OF AND INTEREST ON THE BONDS. RATHER THIS REPORT SERVES AS A BASIS FOR ESTIMATING THE AMOUNT OF INCREMENTAL PROPERTY TAXES WHICH PURSUANT TO THE BOND ORDINANCE COULD BE AVAILABLE TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS.

KMC believes that this report provides a reasonable estimate of projected Incremental Property Tax Revenues to be generated for future years.

KMC has no responsibility to update this report for events and circumstances occurring after the date of this Report, but would be available to answer any questions related to this Report if necessary.

II. CRITICAL ASSUMPTIONS AND RISKS ASSOCIATED WITH THE PROJECTIONS

THERE CAN BE NO ASSURANCE THAT THE EXISTING DEVELOPMENT AND THE PROPOSED DEVELOPMENT WILL GENERATE A SUFFICIENT AMOUNT OF PLEDGED REVENUES SUCH THAT THERE WILL BE SUFFICIENT MONEYS TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS AND THE PRIOR BONDS. THE ABILITY OF THE EXISTING DEVELOPMENT AND THE PROPOSED DEVELOPMENT TO GENERATE SUCH INCREMENTAL PROPERTY TAX REVENUES IS DEPENDENT ON AND SUBJECT TO FUTURE EVENTS AND CIRCUMSTANCES WHICH CANNOT BE FORESEEN OR PREDICTED WITH CERTAINTY. THERE CAN BE NO ASSURANCE THAT THE ASSUMPTIONS SET FORTH IN THIS REPORT WILL BE ACHIEVED.

Risks associated with the future projections and the ultimate generation of Incremental Property Tax Revenues include, but are not limited to, the following:

A. Failure to Develop Properties

Development of land is subject to economic considerations affecting the Developers and the Village and prospective purchasers of developed property including interest rates and the general economic climate of the region surrounding the Proposed Development. The failure to complete development of the required infrastructure or substantial delays in the completion of the Proposed Development due to litigation or other factors may affect the completion of the Proposed Development and could result in the reduction in the projected amount of Incremental Property Tax Revenues herein. There can be no assurance that the Developers will comply with the terms of the respective Redevelopment Agreements or that the Village will not terminate such agreements if the applicable Developer fails to comply with its terms which could result in the reduction in the projected amount of Incremental Property Tax Revenues herein.

B. Completion of Construction of the Proposed Development

Failure by the River Haven Developer to complete the construction of the River Haven Development or the GAT Guns Developer to complete the rehabilitation and construction of the GAT Guns Development, each as described herein and/or within the time frame described herein, could result in a reduction in the projected amount of Incremental Property Tax Revenues projected herein.

C. Risk of Occupancy

There is no assurance that any leasing or use of the space within and of the Proposed Development by the Developers will achieve or maintain the projected occupancy assumed herein. There are anticipated to be individual tenants in the River Haven Development with various lease terms, and there can be no assurance that, when a lease expires or is terminated for any reason, the lease will be extended or that the unit will be re-leased. A failure to re-lease space could adversely affect the Incremental Property Tax Revenues projected herein.

D. Risk of Failure to Secure Adequate Financing

The Developers are assumed to have commitments for financing their respective proposed Developments. There can be no assurance that such financing will be obtained. In the absence of such financing, the Developers may be unable to complete the Proposed Development, which could result in a reduction of the projections of Incremental Property Tax Revenues herein.

E. Local, State and Federal Land Use Regulations

There can be no assurance that land development operations within the Proposed Development will not be adversely affected by future government policies, including, but not limited to, governmental policies which directly or indirectly restrict or control development. The Redevelopment Agreements cannot limit the application of state or federal laws and regulations which have preemptive effect on local land use regulations. During the past several years, state and federal regulatory agencies have significantly expanded their involvement in local land use matters through increased regulatory enforcement of various environmental laws, including the Endangered Species Act, the Clean Water Act and the Clean Air Act, among others. Such regulations can substantially impair the rate and amount of development without requiring just compensation unless the effect of the regulation is to deny all economic use of the affected property. Any of the above events that significantly impairs the ability to develop the Proposed Development could cause a reduction in the amount of the projected Incremental Property Tax Revenues herein.

F. Risk of Changes in Market Conditions, Changes in General Economic Conditions and Future Competition

The financial viability of the Existing Development and the Proposed Development and, therefore, the generation of Incremental Property Tax Revenues could be significantly impaired as a result of changes in market conditions, changes in market conditions, changes in general economic conditions and competition from other office developments, retail developments, restaurants, banks or other competitive facilities, either now existing or developed in the future, in the areas surrounding the Existing Development and Proposed Development. It is expected that the Existing Development and the Proposed Development will face increased competition in the future. Competitors may have substantially greater marketing and financial resources than the owners/operators of the Existing Development and/or the Proposed Development and may improve their facilities, reduce their prices or expand or improve their marketing programs in ways that adversely affect the Existing Development and the Proposed Development. In the event such increased competition occurs, it would likely result in decreased sales for the retailers in the Existing Development and/or the Proposed Development and, therefore, may reduce significantly the projected amount of Incremental Property Tax Revenues.

G. Risk of Natural Disaster

In the event of a natural disaster severely damaging the any of the properties in the Existing Development or the Proposed Development, there can be no assurance that such property will be rebuilt. In such case, generation of Incremental Property Tax Revenues would be adversely affected. There can be no assurance that such insurance will be properly maintained or that the proceeds therefrom will be sufficient or even available to repair or rebuild the any of the Existing Development or the Proposed Development or that the owners or tenants will choose to repair or rebuild such improvements. In addition, certain types of losses may not be covered by existing insurance policies. Furthermore, any insurance proceeds will not be assigned as security for the payment of real estate or to secure payment of the Bonds.

The restoration of any part of the Existing Developments and/or Proposed Development, or the other improvements with the Existing Development and/or Proposed Development, or any part thereof, may be delayed by other factors, or the terms of then-applicable mortgage financing could require the application of insurance proceeds to the reduction of mortgage balances. Any of the foregoing circumstances could result in the assessed valuation of Existing Development and/or the Proposed Development remaining low for an indefinite period of time and decrease in the projected amount of Incremental Property Tax Revenues herein.

H. Risk of Failure to Maintain Levels of Assessed Valuation

The assessed value of the property within the TIF Districts are reassessed annually with a comprehensive review of assessed values by the Dundee Township Assessor (the "Township Assessor") each four years with the last comprehensive reassessment occurring in 2010. There can be no assurance that the projected equalized assessed value of the (i) Proposed Development will initially be assessed in the amount that is assumed in this Report, and (ii) Existing Development or the Proposed Development will increase at the rate assumed in this Report throughout the term of the Bonds. Furthermore, the successful application of any owner of the Existing Development or the Proposed Development for the reduction of the assessed value of the Existing Development or the Proposed Development, as the case may be, may cause the assessed value of the Existing Development or the Proposed Development, as the case may be, to be less than the assessed value of the Existing Development or the Proposed Development, as the case may be, projected in this Report. If any time during the term of the Bonds the actual assessed value is less than projected, the generation of Incremental Property Taxes could be significantly impaired.

I. Risk of Delay in Remittance of Incremental Property Tax Revenues

The failure of the Existing Development or the Proposed Development to generate Incremental Property Taxes could result in insufficient Incremental Property Tax Revenues being available to pay principal of or interest on the Bonds when due. A failure by the property owners or operators to remit property taxes payments to the Kane County Treasurer on a timely basis may adversely affect the timely payment of principal of or interest on the Bonds.

J. Information Not Verified

Information concerning the TIF Districts, the Existing Development and the Proposed Development have been obtained from the Village, the Developers and other sources believed to be reliable, but information involving predictions of future events, such as projected occupancy status, sales, assessments and the ability of the Village and the Developers to retain creditworthy tenants, is, by its nature, not subject to verification. Estimates herein of future Incremental Property Tax Revenues to be generated are based upon the River Haven Developer's experience with the rental housing and the GAT Guns Developer with the firearms markets and the Developers' assumptions that the Proposed Development will be constructed and occupied as scheduled.

K. Risk of Legislative and Judicial Changes

In recent years, a number of states have enacted legislation significantly reducing the reliance of local governmental units on real property taxes. Illinois has not taken such action, but over the past several years, various bills have been introduced in the Illinois General Assembly in connection with school district financing that would have the effect of reducing Incremental Property Taxes. Future changes in law reducing governmental reliance on real property taxes or amending the Act could adversely affect the amount of Incremental Property Taxes collected by the Village, and any such adverse effect may be material.

FUTURE LEGISLATION, REGULATIONS, GOVERNMENTAL OR JUDICIAL INTERPRETATION OF REGULATIONS OR LEGISLATION OR PRACTICES AND PROCEDURES RELATED TO PROPERTY TAX ASSESSMENT, LEVY, COLLECTIONS OR DISTRIBUTION COULD HAVE A MATERIAL EFFECT ON THE CALCULATION OR AVAILABILITY OF INCREMENTAL PROPERTY TAX REVENUE COLLECTED OR DISTRIBUTED.

L. Risks Associated With Generation and Receipt of Incremental Property Taxes

There are certain additional risks associated with the generation and ultimate receipt of Incremental Property Taxes. These risks include, but are not limited to, the following:

1. Property tax rates are calculated by the County Clerk for a number of taxing districts that tax all or part of the TIF Districts. A reduction in the tax levies by the affected taxing districts may have an adverse affect on Incremental Property Taxes. If tax rates were to decrease below projected rates, there could be a significant adverse effect on the Incremental Property Taxes.
2. Further changes may be made in the real property tax system by the State of Illinois or Kane County. Such changes could include various property tax rollbacks, abatements, exemptions, changes in the ratio of assessment, or additional relief measures, limitations on the amount or percent of increase in tax levies by taxing districts, or other measures that would limit the tax levy amount that could be extended to the property within the TIF Districts and, consequently, the projected Incremental Property Taxes generated. For

example, if Illinois adopted school financing reforms or methods used in other states, the property tax system could be changed in order that public schools would be financed from a source other than property taxes. This type of change could have a significant adverse effect upon the Incremental Property Taxes. See section entitled "CRITICAL ASSUMPTIONS AND RISKS ASSOCIATED WITH THE PROJECTIONS – Risk of Legislative and Judicial Changes" herein.

3. Kane County's methodology and procedures used to assess the value of property may be altered resulting in a potentially reduced or altered valuation in a particular year or succession of years. The State of Illinois equalization factor or multiplier for Kane County is subject to change annually by the Illinois Department of Revenue (the "DOR"). Any changes in the State multiplier could have a material adverse effect on the Incremental Property Taxes.
4. Procedures for computing incremental property taxes are determined by the State of Illinois and the County. Changes in State or County formulas for determining incremental property taxes could result in a decrease in the projected amount of Incremental Property Taxes herein.
5. The failure to operate any particular developments in the TIF Districts could result in Incremental Property Taxes actually received being substantially lower than projected.
6. Failure by the County to remit property taxes to the Village on a timely basis could result in insufficient Incremental Property Taxes being available to pay principal of or interest on the Bonds when due.
7. Failure to remit property taxes when due by the owner of any property could result in delays in receipt of Incremental Property Taxes.
8. Failure of performance by the Village a) to administer the TIF District as provided in the TIF Act; b) in its obligation to deposit Incremental Property Taxes in the Special Tax Allocation Funds related to each of the TIF Districts (the "STAF"); or c) to maintain in the Incremental Property Taxes as received as required in the Bond Ordinance and the Indenture rather than declaring a surplus and therefore, distributing certain funds to other taxing districts which could result in a reduction in the projected amount of Incremental Property Taxes herein.

M. Risk of Default or Discontinued Operations

The generation of Incremental Revenues could be significantly impaired if (i) River Haven Developer does not complete the construction of the River Haven Development, or (ii) the GAT Guns Developer does not complete the construction and rehabilitation of the GAT Guns Development as provided herein. Leases may grant tenants the right to terminate their respective leases under a number of different conditions. In addition, the any tenants within the Proposed Development may have the right to terminate their respective leases in the event of fire or other casualties, condemnation, a breach by the landlord of its obligations under the lease, or the existence of hazardous wastes not caused by the tenant could result in a reduction of the projected Incremental Property Tax Revenues herein.

If any owner, operator or lessee of the Existing Development and or Proposed Development experiences financial difficulties resulting in an inability to operate its business or pay property taxes, Incremental Property Tax Revenues from such developments could be reduced significantly. No assurance can be given that the Existing Development, the Proposed Development or other owners and/or tenants of the property within the Existing Development or Proposed Development will open or continue to operate as viable business enterprises. Operations may be discontinued in the Existing Development and/or the Proposed Development for a number of reasons. Cessation of operations would adversely impact the projections of Incremental Property Tax Revenues herein. Any of the properties in the Existing Development or the Proposed Development may become subject to claims of creditors for liabilities unrelated to the facilities, in amounts which could force any or all of them into bankruptcy or receivership and which could adversely impact the availability of Incremental Property Tax Revenues.

**THE ABOVE IS NOT INTENDED TO BE A COMPREHENSIVE DISCUSSION
OF ALL POTENTIAL RISKS ASSOCIATED WITH THIS TRANSACTION.**

III. REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

A. Assessment

Although the Village is located in both Kane County and Cook County, the Village's TIF Districts are located within the Dundee Township in Kane County (the "County"). The Dundee Township Assessor is responsible for the original assessment of all taxable property within the Dundee Township. Such assessments are subject to review and adjustment by the Kane County Supervisor of Assessments, except for railroad property used for transportation purposes and pollution control property, both of which are assessed directly by the State of Illinois. All taxable property is assessed at 33% of fair market value (the "Assessed Value") except for farmland. The assessment formula for farmland relates to farm revenue, farm expense, farm net income and soil quality and is based on productivity.

Property subject to taxation must be reassessed at least every four years pursuant to State law. Using market surveys, the Dundee Township Assessor identifies areas to reassess each year and periodically revalue properties whose condition has changed significantly in the past year because of improvements, damages or market changes.

The County Board of Review has established procedures enabling taxpayers to contest the Assessed Value set by the Township Assessor. Taxpayers also have access to a second level of appeal before the Illinois Property Tax Appeal Board. In addition, limited judicial review of assessments is available to taxpayers during the collection process.

Under State of Illinois law, assessments are to be equalized at 33% of estimated fair market value prior to any applicable exemptions. Following any County Board of Review revisions, the DOR is required by statute to review the Assessed Valuations. The DOR establishes an equalization factor (commonly called the "multiplier") for each county, to make all valuations uniform among the 102 counties in the State. Additionally, each County Board of Review establishes different multipliers for each Township which are subject to review by the DOR. The Dundee Township Supervisor of Assessments established a multiplier of 0.9015 for Dundee Township for the 2012 tax year and 1.0776 for the 2011 tax year (the vast majority of the equalized assessed value within the Village lies within Dundee Township).

Once the equalization factor is established, the Assessed Values, determined by the Dundee Township Assessor as revised by the County Board of Review, are multiplied by the equalization factors for the County to determine the Equalized Assessed Valuations. The Equalized Assessed Valuations, after adjustment for the exemptions and tax deferrals described in the following paragraph, are the final property valuations used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction plus the valuation of certain railroad property assessed directly by the State of Illinois constitutes the total property tax base for that unit (or portion thereof which lies within the County) and is the figure utilized to calculate tax rates.

B. Exemptions

An annual General Homestead Exemption provides that the Equalized Assessed Valuation ("EAV") of certain property owned and used for residential purposes ("Residential Property") may be reduced by \$5,000 for taxable years prior to tax year 2004 through assessment year 2007. Additionally, the reduction may be \$5,500 for assessment year 2008 and \$6,000 for assessment years 2009 and thereafter (the "General Homestead Exemption").

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the two years following a catastrophic event. The exemption is limited to \$45,000 through December 31, 2003, and \$75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption (the "Senior Citizens Homestead Exemption") operates annually to reduce the EAV on a senior citizen's home by \$3,500 for all counties. For taxable years 2008 and thereafter, the maximum Senior Citizens Homestead Exemption is \$4,000. Furthermore, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro-rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption (the "Senior Freeze Exemption") freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive household income not in excess of the maximum income limitation of (i) \$50,000 or less in assessment years 2006 and 2007 and (ii) \$55,000 or less in assessment years 2008 and thereafter. In general, the Senior Freeze Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property.

The Homeowner Exemption for Long-term Properties ("H.E.L.P.") provides relief to certain longtime homeowners facing a dramatic rise in property taxes attributable to gentrification in established neighborhoods. H.E.L.P. exempts from property tax an amount equal to the current EAV for an eligible property which exceeds the sum of: (i) the EAV for the year prior to reassessment, plus (ii) the prior-year EAV multiplied by a factor equal to 150% of the average assessment increase for the most current reassessment of the assessment district. In order to qualify for the exemption, a homeowner must own and occupy Class 2 property for ten years or more as their principal residence, or five years or more if the owner received governmental assistance in acquiring the property.

Beginning with assessment year 2007, the Disabled Persons' Homestead Exemption (the "Disabled Persons' Homestead Exemption") provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming the Disabled Veteran Exemption (as such term is hereinafter defined) or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the Disabled Persons' Homestead Exemption (as such term is hereinafter defined).

Exemptions available to disabled veterans include the following:

- (a) An exemption which provides a reduction of up to \$70,000 to the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes (the "Disabled Veteran Exemption").
- (b) The Disabled Veterans Standard Exemption (the "Disabled Veterans Standard Exemption") provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of (A) 75% for exemptions granted in assessment years 2007 through 2009 and (B) 70% for exemptions granted in assessment year 2010 and each assessment year thereafter, are granted an exemption of \$5,000 and (ii) those veterans with a service-connected disability of at least 50% but less than (A) 75%, for exemptions granted in assessment year 2007 through 2009 and (b) 70% for exemptions granted in assessment year 2010 and each assessment year thereafter, are granted an exemption of \$2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse's new residence, provided that it is the spouse's primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming an exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

However, disabled veterans may only avail themselves of one of the above exemptions. Furthermore, the individuals claiming the Disabled Veteran Exemption or the Disabled Veteran's Standard Exemption may not claim the Disabled Persons' Homestead Exemption.

Beginning with assessment year 2007, the Returning Veterans' Homestead Exemption ("Returning Veterans' Homestead Exemption") is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of \$5,000, which is applicable in all counties. In order to apply for this exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, subject to some limitations. Those individuals eligible for this exemption may claim the exemption in addition to other homestead exemptions, unless otherwise noted.

Lastly, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

C. Tax Levy

As part of the annual budgetary process of governmental units ("Units") with power to levy taxes in the County, proceedings are adopted by the designated body for each Unit each year in which they determine to levy real estate taxes. The tax levy proceedings impose each of the Unit's respective real estate taxes in terms of a dollar amount. The Illinois Truth in Taxation Act imposes procedural limitations on a Unit's real estate taxing powers, and requires notice and hearing in certain instances. (See "LEGISLATION CONCERNING PROPERTY TAX AUTHORITY - The Truth in Taxation Act" herein). Each Unit certifies its real estate tax levy, as established by the proceedings, to the County Clerk. The remaining administration and collection of the real estate taxes is statutorily assigned to the County Clerk and the County Treasurer.

After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit by dividing the levy of each Unit by the assessment base of the respective Unit. If any tax rate thus calculated exceeds any applicable statutory rate limit, the County Clerk disregards the excessive rate and applies the maximum rate permitted by law.

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk enters the tax determined by multiplying the total tax rate by the Equalized Assessed Valuation of that parcel in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

D. Collections

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two equal installments, the first due on June 1 and the second on the later of September 1 or 30 days after the mailing of the tax bills.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the Village promptly credits the taxes received to the funds for which they were levied.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court, and applies for a judgment for all unpaid taxes. The court order resulting from the application for judgment provides for an annual tax sale (the "Annual Tax Sale") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 18% for each six month period after the sale. If no redemption is made within two years, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The scavenger sale (the "Scavenger Sale"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is scheduled to be held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and one-half years depending upon the type and occupancy of the property.

IV. LEGISLATION CONCERNING PROPERTY TAX AUTHORITY

A. The Truth in Taxation Law

The Truth in Taxation Law (the "Law") requires that the corporate authority of each taxing district determine, prior to the adoption of its aggregate levy, the amount of money, exclusive of election costs and bond principal and interest, estimated to be necessary to be raised by taxation for that year upon the taxable property in the Village. If the estimated amount as so determined is more than 105% of the amount extended or estimated to be extended upon the levy of the preceding year, exclusive of election costs and levies for bond principal and interest, the corporate authority must publish notice of and hold a hearing on its intent to adopt a levy in an amount which is more than 105% of the preceding year's extension, exclusive of election costs and levies for bond principal and interest. If the levy as adopted exceeds the estimated amount of the levy specified in the notice, or exceeds 105% of the prior year's levy and no notice was required under the Law, notice of the adoption of such levy must be published within 15 days of the adoption thereof. No amount more than 105% of the amount, exclusive of election costs and levies for bond principal and interest, which has been extended or is estimated to be extended on the levy of the preceding year may be extended unless the levy is accompanied by a certification of compliance with the foregoing publication and hearing procedures. The express purpose of the Law is to require published disclosure of, and hearing on, an intention to adopt a levy in excess of the specified levels.

B. Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law of the State of Illinois (the "Limitation Law") limits annual increases in property tax extensions for non-home rule taxing districts. The effect of the Limitation Law is to limit the amount of property taxes that can be extended by a non-home rule unit. In addition, general obligations payable from ad valorem taxes unlimited as to rate of amount cannot be issued by non-home rule units of local government unless approved by referendum, as alternate bonds or for certain refunding purposes.

The annual growth permitted under the Limitation Law is the lesser of (i) 5% or (ii) the percentage increase in the Consumer Price Index during the calendar year proceeding the tax levy year. Property taxes can also be increased due to new construction, annexation, and referendum approval for tax increases.

The Limitation Law does not affect the Village since it is a home rule taxing district. There can be no assurance that the General Assembly will not take further action that has the impact of reducing tax assessments, levies, or extensions. Any such action, including the action cited above, could result in a reduction of future increases in property tax revenues.

V. PROJECTED INCREMENTAL PROPERTY TAX REVENUES

A. Methodology for Incremental Property Tax Projections

The TIF Districts are located entirely within the County. The County Clerk of the County of Kane (the "County Clerk") determines the incremental Equalized Assessed Value of each property within each of the TIF Districts. The Initial Equalized Assessed Value for each parcel of property is established at the time of adoption of a TIF District, is then subtracted from the most recent tax year's aggregate Equalized Assessed Value for such property to determine the amount of incremental Equalized Assessed Value for such property for the subject tax year. The composite tax rate relevant to such property is then applied to the incremental Equalized Assessed Value for each property to determine the amount of incremental property taxes, if any, due to the municipality from such property.

Table 2 below provides the Equalized Assessed Value, Initial Equalized Assessed Value of the TIF Districts and the final tax year which is being used to project the Incremental Property Taxes.

Table 2

	<u>Equalized Assessed Value (2011 Tax Yr.)</u>	<u>Initial EAV</u>	<u>Final Tax Year of Incr. Prop. Taxes</u>
TIF No. 1	13,574,731	52,860	2024
TIF No. 2	12,507,494	10,307,688	2030
TIF No. 3	10,152,883	10,014,328	2032
TIF No. 6*	336,404	336,404	2036

* GAT Guns Development Site

Pursuant to the TIF Act, the last year of property tax increment is to be paid to the municipality in the subsequent year.

Historical EAV and tax rate trends for the Existing Development in TIF No. 1, TIF No. 2 and TIF No. 3 are included in Exhibit A-1 attached hereto. The largest tax payers in TIF No. 1, TIF No. 2 and TIF No. 3 are found in Exhibit A-2 attached hereto.

Based upon the review of projected tax year 2012 property tax valuations and tax year 2008 through 2011 valuations, the property tax valuations of the Existing Development are forecast to stabilize at 2013 levels with no annual growth projected for the 2014 tax year and an application of an annual reassessment growth rate of 1.5% per year compounded in tax year commencing with tax year 2015.

The property tax valuations of the River Haven Development and GAT Guns Development valuations were based upon review of several methodologies:

- a) Estimated valuations associated with the projected net income for the River Haven Development and capitalized utilizing a "fully loaded" capitalization rate consisting of the capitalization rate and the estimated tax rate.
- b) Estimated cost approach (utilizing hard cost components only).
- c) Review of comparable properties and market values.

The property tax valuations of the Existing Development are forecast to increase based on an annual reassessment growth rate of 1.5% per year compounded in tax year commencing with tax year 2015.

B. Incremental Property Tax Receipts

Incremental Property Taxes for each tax year are assumed fully received by the Village beginning in the fall of each year, based upon the previous year's assessed value. The projected annual Incremental Property Taxes shown in Exhibit B, Exhibit C and Exhibit D hereto assume growth in the assessed values due to annual reassessment.

Assessed valuations are re-examined on an area-wide basis once every four (4) years with annual adjustments made by the County Assessor. Property in the Village is next subject to reassessment for the 2014 tax levy year.

C. Tax Rate

Table 3 below reflects tax codes for the properties in the Existing Development and the Proposed Development in the TIF Districts and their related property tax rates for the prior 5 tax years (2007 through 2011).

Table 3

TIF		2011	2010	2009	2008	2007
<u>District</u>	<u>Tax Code</u>	<u>Tax Rate</u>	<u>Tax Rate</u>	<u>Tax Rate</u>	<u>Tax Rate</u>	<u>Tax Rate</u>
TIF No. 1	DU-904	8.005295	7.572211	6.677206	6.449825	6.457238
TIF No. 2	DU-905	8.005295	7.572211	6.677206	6.449825	6.457238
	DU-906	8.005295	7.572211	6.677206	6.449825	6.457238
TIF No. 3	DU-908	8.005295	7.572211	6.677206	6.449825	6.457238
	DU-909	8.005295	7.572211	6.677206	6.449825	6.457238
	DU-910	8.005295	7.572211	6.677206	6.449825	6.457238
	DU-911	8.005295	7.572211	6.677206	6.449825	6.457238
TIF No. 6	DU-005	*	*	*	*	*

* Outside of Village limits, tax rate expected to be similar to other TIF Districts.

The aggregate tax rates for all the overlapping districts in the tax code multiplied by the incremental Equalized Assessed Value is equal to the Incremental Property Taxes that will accrue to the TIF Districts.

All the levies for non home-rule taxing districts in the County are subject to the provisions of the Property Tax Extension Limitation Act (35 ILCS 200/18-185), as supplemented and amended (the "Property Tax Limitation Act"). The Property Tax Limitation Act requires the County Clerk to use the prior year Equalized Assessed Value in each tax code to determine the current year's tax rate. All of the taxing districts in the tax codes are non home-rule units, except Cook County and the Village. The Property Tax Limitation Act limits annual increases in property tax extensions for non home-rule taxing districts in Cook County to a maximum of 5% or the rate of inflation as measured by the Consumer Price Index (the "CPI"), whichever is less. These limits may be exceeded if approved by a voter referendum – i.e., property tax rates and/or general obligation bonds.

The Property Tax Limitation Act provides that the maximum levy available to the individual funds within each taxing district is the statutory rate limit of each fund multiplied by the prior year Equalized Assessed Value. The resulting levy is then divided by the current year Equalized Assessed Value to determine the final levy rate. The result, if a particular taxing district has met its rate limit, is a reduction in the total tax levy rate when the prior year Equalized Assessed Value is significantly below the current year Equalized Assessed Value. The impact is most evident in a year when a triennial reassessment has occurred.

KMC has used the current tax rates (tax year 2011) in preparing the projections for future incremental property taxes.

D. Incremental Property Tax Analysis

Property taxes projected to be paid with respect to the Existing Development are based on historical assessed values and tax rates applicable to such properties and property taxes projected to be paid with respect to the Proposed Development were estimated utilizing review various comparable properties located in the communities near the Proposed Development and within Kane County as well as KMC file material relating to similar commercial improvements. The projections of property taxes in the analyses in Exhibit B and Exhibit C with respect to the Proposed Development are in part based on the total building size (as opposed to the gross leasable area). The projections of property taxes in the analysis in Exhibit D herein relating to the Existing Development are based on historical assessed values of such properties within the Existing Development.

A portion of the Incremental Property Taxes generated by TIF No. 2 is pledged to PAL Land, LLC ("PAL Land") pursuant to a Development Agreement dated April, 2008 by and between the Village and PAL Land (the "PAL Land Development Agreement"). The properties to be developed pursuant to the PAL Land Development Agreement are located in two separate redevelopment project areas (TIF No. 2 and an adjacent redevelopment project area). The Incremental Property Taxes associated with any properties developed pursuant to the PAL Land Development Agreement and which are located on the following property tax parcels located in TIF No. 2, are excluded from the projections of Incremental Property Taxes:

Property Index Numbers

03-25-180-001
03-25-150-001
03-25-150-002
03-25-201-001
03-25-202-001

A portion of the Incremental Property Taxes generated by TIF No. 3 is also to be utilized for redevelopment purposes pursuant to two separate redevelopment agreements with 7 Hills Healthcare Center, P.C. (\$73,000 total payment) and CBJC, LLC/Made to Measure (\$425,000 total payments). Both projects have received payments to date that were applied to the existing obligations. Total remaining amounts payable to both entities are \$394,312, after the end of 2012. The analyses attached as Exhibit E reserves all of the Incremental Property Taxes projected to be generated by TIF No. 3 to be applied to these remaining obligations. Once the total amounts are paid, the Incremental Property Taxes generated by TIF No. 3 would then be available for payment of other redevelopment project costs.

Based on the methodology and assumptions set forth in this Report (i) Exhibit B-1 hereto includes the projections of Equalized Assessed Value of the GAT Guns Development during the initial absorption period (tax years 2012 through 2014), (ii) Exhibit B-2 hereto includes the projection of Equalized Assessed Value of the GAT Guns Development and projections of Incremental Property Taxes for the GAT Guns Development for the years 2012 through 2036 (tax years 2012 through 2036); (iii) Exhibit C-1 hereto includes the projections of Equalized Assessed Value of the River Haven Development during the initial absorption period (tax years 2012 and 2013), (iv) Exhibit C-2 hereto includes the projection of Equalized Assessed Value of the River Haven Development and projections of Incremental Property Taxes for the River Haven Development for the years 2012 through 2030 (tax years 2011 through 2029).

Based on the methodology and assumptions set forth in this Report (i) Exhibit D-1 hereto includes the projections of Equalized Assessed Value of the Existing Development in TIF No. 1 and the Incremental Property Taxes related to such property for the years 2013 through 2024 (tax years 2012 through 2023), (ii) Exhibit D-2 hereto includes the projections of Equalized Assessed Value of the Existing Development in TIF No. 2 and the Incremental Property Taxes related to such property (excluding the River Haven Development) for the years 2013 through 2030 (tax years 2012 through 2029), and (ii) Exhibit D-3 hereto includes the projections of Equalized Assessed Value of the Existing Development in TIF No. 3 and the Incremental Property Taxes related to such property for the years 2013 through 2032 (tax years 2012 through 2031).

VI. SUMMARY: INCREMENTAL PROPERTY TAX REVENUES

Exhibit E hereto includes a summary of the projected Incremental Property Tax Revenues based on the completion of the Proposed Development and the continuous occupancy and operation of the Proposed Development and the Existing Development.

EXHIBIT A-1

Historical TIF Analysis (Existing Development)

Village of East Dundee, Illinois
TIF District EAV Analysis (Tax Year 2011)

Parcel Number	Parcel Deleted Year	Tax Code	Base Year	Total Assessment (2008)	Total Assessment (2009)	% Change (from 2008)	Net Taxable Value (2010)	TIF Base Value	Value to Districts (2010)	TIF Increment (2010)	Exemption Amount (2010)	Total Assessment (2010)	% Change (from 2009)	Total Assessment (2011)	% Change (from 2010)	Total Assessment (Preliminary - 2012)	% Change (from 2011)
281 -EAST DUNDEE TIF 1																	
03-13-474-001	2010	DU904	2000										N/A		N/A		N/A
03-13-474-002		DU904	2000			N/A	491,264	1,090	1,090	490,174	0	491,264	N/A	668,100	36.00%	602,292	-9.85%
03-13-475-001		DU904	2000	269,162	266,470	-1.00%	246,778	3,800	3,800	242,978	0	246,778	-7.39%	265,928	7.76%	239,734	-9.85%
03-13-475-004	2009	DU904	2000	159,358		N/A							N/A		N/A		N/A
03-13-475-011		DU904	2000	340,431	337,027	-1.00%	312,121	1,500	1,500	310,621	0	312,121	-7.39%	416,625	33.48%	375,588	-9.85%
03-13-475-012		DU904	2000	751,560	744,045	-1.00%	689,061	3,560	3,560	685,501	0	689,061	-7.39%	1,105,000	60.36%	996,157	-9.85%
03-13-475-016		DU904	2000	0	0	0.00%	0	1,685	0	0	0	0	N/A	0	N/A	0	N/A
03-13-475-019		DU904	2000	139,324	137,931	-1.00%	127,738	1,150	1,150	126,588	0	127,738	-7.39%	209,570	64.06%	188,928	-9.85%
03-13-475-020		DU904	2000	127,037	125,767	-1.00%	116,473	950	950	115,523	0	116,473	-7.39%	197,344	69.43%	177,905	-9.85%
03-13-475-024		DU904	2000	33,466	33,131	-1.00%	30,682	64	64	30,618	0	30,682	-7.39%	44,083	43.68%	39,741	-9.85%
03-13-475-025		DU904	2000	33,466	33,131	-1.00%	30,682	64	64	30,618	0	30,682	-7.39%	44,083	43.68%	39,741	-9.85%
03-13-475-026		DU904	2000	22,987	22,757	-1.00%	21,075	64	64	21,011	0	21,075	-7.39%	44,083	109.17%	39,741	-9.85%
03-13-475-027		DU904	2000	22,987	22,757	-1.00%	21,075	64	64	21,011	0	21,075	-7.39%	44,083	109.17%	39,741	-9.85%
03-13-475-028		DU904	2000	33,464	33,129	-1.00%	30,681	64	64	30,617	0	30,681	-7.39%	44,081	43.68%	39,739	-9.85%
03-13-475-029		DU904	2000	54,387	53,843	-1.00%	49,864	64	64	49,800	0	49,864	-7.39%	71,648	43.69%	64,590	-9.85%
03-13-475-030		DU904	2000	52,762	52,234	-1.00%	48,373	64	64	48,309	0	48,373	-7.39%	69,503	43.68%	62,657	-9.85%
03-13-475-031		DU904	2000	51,439	50,924	-1.00%	47,160	64	64	47,096	0	47,160	-7.39%	68,196	44.61%	61,479	-9.85%
03-13-475-032		DU904	2000	54,387	53,843	-1.00%	49,864	64	64	49,800	0	49,864	-7.39%	71,648	43.69%	64,590	-9.85%
03-13-475-033		DU904	2000	33,466	33,131	-1.00%	30,682	65	65	30,617	0	30,682	-7.39%	44,083	43.68%	39,741	-9.85%
03-13-475-034		DU904	2000	33,466	33,131	-1.00%	30,682	65	65	30,617	0	30,682	-7.39%	44,083	43.68%	39,741	-9.85%
03-13-475-035		DU904	2000	33,466	33,131	-1.00%	30,682	65	65	30,617	0	30,682	-7.39%	44,083	43.68%	39,741	-9.85%
03-13-475-036		DU904	2000	33,466	33,131	-1.00%	30,682	65	65	30,617	0	30,682	-7.39%	44,083	43.68%	39,741	-9.85%
03-13-475-037		DU904	2000	33,466	33,131	-1.00%	30,682	64	64	30,618	0	30,682	-7.39%	44,083	43.68%	39,741	-9.85%
03-13-475-038		DU904	2000	203,318	201,285	-1.00%	186,410	634	634	185,776	0	186,410	-7.39%	272,673	46.28%	195,208	-28.41%
03-13-475-039		DU904	2000	203,726	201,689	-1.00%	186,784	316	316	186,468	0	186,784	-7.39%	273,219	46.28%	195,598	-28.41%
03-13-475-041	2009	DU904	2000	65,884		N/A							N/A		N/A		N/A
03-13-475-042		DU904	2000	111,175	110,063	-1.00%	101,930	533	533	101,397	0	101,930	-7.39%	145,355	42.60%	131,037	-9.85%
03-13-475-043		DU904	2000	58,892	58,303	-1.00%	53,994	534	534	53,460	0	53,994	-7.39%	92,068	70.52%	122,216	32.75%
03-13-475-044		DU904	2000	112,722	111,595	-1.00%	103,348	534	534	102,814	0	103,348	-7.39%	111,368	7.76%	130,299	17.00%
03-13-475-045		DU904	2000	133,837	132,498	-1.00%	122,707	533	533	122,174	0	122,707	-7.39%	209,750	70.94%	189,089	-9.85%
03-13-475-046		DU904	2000	152,210	150,687	-1.00%	139,551	533	533	139,018	0	139,551	-7.39%	228,483	63.73%	205,977	-9.85%
03-13-475-047		DU904	2000	169,635	167,939	-1.00%	155,528	533	533	154,995	0	155,528	-7.39%	246,182	58.29%	221,933	-9.85%
03-13-475-048		DU904	2000	14,640	14,494	-1.00%	51,662	55	55	51,607	0	51,662	256.44%	90,931	76.01%	78,522	-13.65%
03-13-475-049		DU904	2000	6,798	6,730	-1.00%	13,025	55	55	12,970	0	13,025	93.54%	57,879	344.37%	52,544	-9.22%
03-13-475-050		DU904	2000	9,800	9,702	-1.00%	8,985	55	55	8,930	0	8,985	-7.39%	41,469	361.54%	65,117	57.03%
03-13-475-051		DU904	2000	12,153	12,031	-1.00%	45,101	55	55	45,046	0	45,101	274.87%	63,169	40.06%	52,543	-16.82%
03-13-475-052		DU904	2000	64,364	63,720	-1.00%	59,011	55	55	58,956	0	59,011	-7.39%	84,781	43.67%	76,430	-9.85%
03-13-475-053		DU904	2000	64,364	63,720	-1.00%	59,011	55	55	58,956	0	59,011	-7.39%	84,781	43.67%	76,430	-9.85%
03-13-475-054		DU904	2000	44,249	43,807	-1.00%	40,570	55	55	40,515	0	40,570	-7.39%	58,286	43.67%	52,545	-9.85%
03-13-475-055		DU904	2000	12,153	12,031	-1.00%	53,340	55	55	53,285	0	53,340	343.35%	75,581	41.70%	65,292	-13.61%
03-13-475-056		DU904	2000	44,249	43,807	-1.00%	40,570	55	55	40,515	0	40,570	-7.39%	58,286	43.67%	52,545	-9.85%
03-13-475-057		DU904	2000	14,640	14,494	-1.00%	13,423	55	55	13,368	0	13,423	-7.39%	49,568	269.28%	78,322	58.01%
03-13-475-058		DU904	2000		235,746	N/A	218,324	4,692	4,692	213,632	0	218,324	-7.39%	235,266	7.76%	212,092	-9.85%
03-13-476-004		DU904	2000	474,843	470,094	-1.00%	435,354	1,895	1,895	433,459	0	435,354	-7.39%	740,041	69.99%	667,147	-9.85%
03-13-476-005		DU904	2000	483,174	478,342	-1.00%	442,992	1,895	1,895	441,097	0	442,992	-7.39%	697,897	57.54%	629,154	-9.85%
03-24-225-001	2009	DU904	2000	17,639		N/A							N/A		N/A		N/A
03-24-225-002	2009	DU904	2000	157,668		N/A							N/A		N/A		N/A
03-24-225-004		DU904	2000	2,768	2,740	-1.01%	2,538	3,215	2,538	0	0	2,538	-7.37%	2,735	7.76%	2,466	-9.84%
03-24-225-005	2009	DU904	2000	182,445		N/A							N/A		N/A		N/A

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03-24-225-006	2009	DU904	2000	177,376		N/A							N/A		N/A		N/A
03-24-225-007	2009	DU904	2000	27,592		N/A							N/A		N/A		N/A
03-24-225-008		DU904	2000	441,399	436,986	-1.00%	404,693	2,000	2,000	402,693	0	404,693	-7.39%	538,280	33.01%	485,259	-27.91%
03-24-225-009		DU904	2000		136,231	N/A	673,248	1,683	1,683	671,565	0	673,248	394.20%	912,164	35.49%	822,316	-17.55%
03-24-225-010		DU904	2000		118,741	N/A	109,966	1,683	1,683	108,283	0	109,966	-7.39%	359,847	227.23%	324,402	-98.19%
03-24-225-011		DU904	2000		230,987	N/A	355,578	1,684	1,684	353,894	0	355,578	53.94%	430,424	21.05%	388,027	-100.00%
03-24-225-012		DU904	2000		156,017	N/A	608,458	1,443	1,443	607,015	0	608,458	289.99%	834,217	37.10%	752,047	-68.20%
03-24-226-004		DU904	2000	7,305	7,232	-1.00%	6,698	3,900	3,900	2,798	0	6,698	-7.38%	7,218	7.76%	6,507	2207.91%
03-24-226-009		DU904	2000	59,213	58,621	-1.00%	54,289	975	975	53,314	0	54,289	-7.39%	0	-100.00%	0	N/A
03-24-226-011		DU904	2000	297,880	294,901	-1.00%	273,108	1,950	1,950	271,158	0	273,108	-7.39%	294,301	7.76%	265,312	-9.85%
03-24-226-012		DU904	2000	129,452	128,157	-1.00%	118,686	697	697	117,989	0	118,686	-7.39%	184,787	55.69%	166,585	-9.85%
03-24-226-013		DU904	2000	26,199	25,937	-1.00%	134,489	697	697	133,792	0	134,489	418.52%	184,787	37.40%	138,754	-24.91%
03-24-226-014		DU904	2000	26,199	25,937	-1.00%	60,303	697	697	59,606	0	60,303	132.50%	112,371	86.34%	138,754	23.48%
03-24-226-015		DU904	2000	97,129	96,158	-1.00%	89,052	697	697	88,355	0	89,052	-7.39%	143,351	60.97%	138,754	-3.21%
03-24-226-016		DU904	2000	99,711	98,714	-1.00%	91,419	697	697	90,722	0	91,419	-7.39%	145,902	59.60%	138,754	-4.90%
03-24-226-017		DU904	2000	99,005	98,015	-1.00%	90,771	697	697	90,074	0	90,771	-7.39%	154,707	70.44%	139,468	-9.85%
03-24-226-018		DU904	2000	166,001	164,341	-1.00%	152,196	698	698	151,498	0	152,196	-7.39%	220,898	45.14%	166,581	-24.59%
03-24-226-019		DU904	2000	143,233	141,801	-1.00%	131,322	732	732	130,590	0	131,322	-7.39%	187,414	42.71%	134,400	-28.29%
03-24-226-020		DU904	2000	133,052	131,722	-1.00%	121,988	732	732	121,256	0	121,988	-7.39%	238,478	95.49%	260,544	9.25%
03-24-226-021		DU904	2000	158,923	157,334	-1.00%	145,707	733	733	144,974	0	145,707	-7.39%	239,722	64.52%	216,109	-9.85%
03-24-226-022		DU904	2000	168,975	167,286	-1.00%	154,924	733	733	154,191	0	154,924	-7.39%	265,127	71.13%	239,012	-9.85%
03-24-227-001	2010		2000	21,977	21,757	-1.00%							N/A		N/A		N/A
03-24-227-002		DU904	2000	468,290	463,608	-1.00%	429,347	1,840	1,840	427,507	0	429,347	-7.39%	723,044	68.41%	651,824	-9.85%
03-24-276-004	2011	DU904	2000	118,511	43,453	-63.33%	40,242	23,353	23,353	16,889	0	40,242	-7.39%		N/A		N/A
Totals				7,998,315	7,942,097	-0.70%	9,246,943	79,353	76,991	9,169,952	0	9,246,943	16.43%	13,681,197	47.95%	12,357,243	-9.68%

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03-23-479-003		DU905	2005	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-479-004		DU906	2005	2,706	2,977	10.01%	3,274	3,892	3,274	0	0	3,274	9.98%	3,602	10.02%		-100.00%
03-23-479-006		DU906	2005	289,211	265,000	-8.37%	218,500	278,459	218,500	0	0	218,500	-17.55%	216,645	-0.85%	200,052	-7.66%
03-23-479-007		DU906	2005	85,949	85,089	-1.00%	78,800	75,486	75,486	3,314	0	78,800	-7.39%	84,915	7.76%	76,551	-9.85%
03-23-479-008		DU906	2005	279,800	277,002	-1.00%	256,531	245,738	245,738	10,793	0	256,531	-7.39%	276,438	7.76%	249,209	-9.85%
03-23-479-009		DU906	2005	49,862	49,363	-1.00%	45,715	43,792	43,792	1,923	0	45,715	-7.39%	49,262	7.76%	44,410	-9.85%
03-23-479-010														0		2,728	N/A
03-23-479-011														0		419	N/A
03-23-479-012														0		400	N/A
03-23-479-013														0		200	N/A
03-25-100-001		DU905	2005	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-25-100-012		DU905	2005	280,317	277,514	-1.00%	257,005	246,191	246,191	10,814	0	257,005	-7.39%	570,684	122.05%	514,471	-9.85%
03-25-126-001		DU905	2005	76,096	75,335	-1.00%	69,768	411,909	69,768	0	0	69,768	-7.39%	75,182	7.76%	67,777	-9.85%
03-25-150-001		DU905	2005	4,773	4,725	-1.01%	4,376	21,486	4,376	0	0	4,376	-7.39%	4,716	7.77%	4,251	-9.86%
03-25-150-002		DU905	2005	5,687	5,630	-1.00%	336,441	210,100	210,100	126,341	0	336,441	5875.86%	700,326	108.16%	897,849	28.20%
03-25-151-002		DU905	2005	154,748	153,201	-1.00%	141,879	135,910	135,910	5,969	0	141,879	-7.39%	299,970	111.43%	270,423	-9.85%
03-25-151-005		DU905	2005	134,604	133,258	-1.00%	123,411	118,217	118,217	5,194	0	123,411	-7.39%	222,767	80.51%	200,825	-9.85%
03-25-151-006		DU905	2005	58,989	58,399	-1.00%	54,083	51,809	51,809	2,274	0	54,083	-7.39%	58,280	7.76%	52,539	-9.85%
03-25-151-007		DU905	2005	403,478	399,443	-1.00%	369,924	354,360	354,360	15,564	0	369,924	-7.39%	398,630	7.76%	359,365	-9.85%
03-25-151-008		DU905	2005	96,632	95,668	-1.00%	88,596	84,869	84,869	3,727	0	88,596	-7.39%	95,471	7.76%	86,067	-9.85%
03-25-151-009		DU905	2005	2,198,373	2,176,389	-1.00%	2,015,554	1,930,747	1,930,747	84,807	0	2,015,554	-7.39%	2,099,790	4.18%	1,892,870	-9.85%
03-25-180-001		DU905	2005	3,166	3,134	-1.01%	2,902	21,486	2,902	0	0	2,902	-7.40%	3,127	7.75%	120,886	3765.88%

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03-25-200-056		DU905	2005	258,588	256,002	-1.00%	237,084	189,637	189,637	47,447	0	237,084	-7.39%	255,482	7.76%	230,317	-9.85%
03-25-201-001		DU905	2005	19,242	19,050	-1.00%	17,642	21,486	17,642	0	0	17,642	-7.39%	19,011	7.76%	17,138	-9.85%
03-25-202-001		DU905	2005	6,529	6,464	-1.00%	5,986	21,486	5,986	0	0	5,986	-7.39%	6,451	7.77%	5,816	-9.84%
03-25-301-002		DU905	2005	59,213	58,621	-1.00%	81,416	0	0	81,416	0	81,416	38.89%	35,920	-55.88%	32,382	-9.85%
03-25-301-003		DU905	2005	848,454	839,969	-1.00%	777,895	745,164	745,164	32,731	0	777,895	-7.39%	838,259	7.76%	755,690	-9.85%
03-25-301-006		DU905	2005	695,840	688,882	-1.00%	637,974	611,131	611,131	26,843	0	637,974	-7.39%	687,481	7.76%	619,765	-9.85%
03-25-301-007		DU905	2005	467,379	462,705	-1.00%	327,098	410,481	327,098	0	0	327,098	-29.31%	352,481	7.76%	317,762	-9.85%
03-25-301-008		DU905	2005	221,085	218,874	-1.00%	202,699	206,254	202,699	0	0	202,699	-7.39%	218,429	7.76%	196,914	-9.85%
03-26-227-007		DU906	2005	2,080,279	2,059,476	-1.00%	1,907,281	1,827,029	1,827,029	80,252	0	1,907,281	-7.39%	1,970,000	3.29%	1,937,973	-1.63%
03-26-227-008		DU906	2005	133,789	132,451	-1.00%	122,663	117,502	117,502	5,161	0	122,663	-7.39%	132,182	7.76%	119,162	-9.85%
03-26-227-009		DU906	2005	153,060	151,529	-1.00%	140,331	134,427	134,427	5,904	0	140,331	-7.39%	219,978	56.76%	198,311	-9.85%
03-26-227-010		DU906	2005	173	190	9.83%	209	325	209	0	0	209	10.00%	230	10.05%	N/A	N/A
03-26-227-011		DU905	2005	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-26-227-012														0		348	N/A
03-26-279-007		DU905	2005	1,877,521	1,858,746	-1.00%	1,721,385	1,315,289	1,315,289	406,096	0	1,721,385	-7.39%	1,854,964	7.76%	1,672,250	-9.85%
03-26-279-008		DU905	2005	88,226	106,440	20.64%	129,808	77,485	77,485	52,323	0	129,808	21.95%	328,005	152.68%	295,697	-9.85%
03-26-426-014		DU905	2005	40,153	39,752	-1.00%	36,814	35,265	35,265	1,549	0	36,814	-7.39%	39,671	7.76%	35,764	-9.85%
03-26-426-018		DU905	2005	47,755	47,277	-1.00%	43,783	41,941	41,941	1,842	0	43,783	-7.39%	47,180	7.76%	42,532	-9.85%
03-26-426-026		DU905	2005	833,510	825,174	-1.00%	764,194	694,188	694,188	70,006	0	764,194	-7.39%	823,496	7.76%	742,381	-9.85%
03-26-426-027		DU905	2005	225,334	223,081	-1.00%	206,595	168,957	168,957	37,638	0	206,595	-7.39%	222,627	7.76%	200,699	-9.85%
Totals				12,180,521	12,056,808	-1.02%	11,427,616	10,852,498	10,307,688	1,119,928	0	11,427,616	-5.22%	13,211,652	15.61%	12,462,193	-5.67%
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03-22-428-005		DU908	2007	49,848	49,349	-1.00%	39,702	38,337	38,337	1,365	6,000	45,702	-7.39%	37,291	-18.40%	50,943	36.61%
03-22-428-006		DU908	2007	63,993	63,354	-1.00%	52,673	56,384	52,673	0	6,000	58,673	-7.39%	48,176	-17.89%	54,839	13.83%
03-22-428-011		DU908	2007	61,107	60,495	-1.00%	50,025	53,616	50,025	0	6,000	56,025	-7.39%	46,738	-16.58%	53,543	14.56%
03-22-428-012		DU908	2007	50,814	50,306	-1.00%	40,589	43,742	40,589	0	6,000	46,589	-7.39%	32,991	-29.19%	41,150	24.73%
03-22-429-005		DU908	2007	64,384	63,741	-1.00%	59,031	61,760	59,031	0	0	59,031	-7.39%	55,357	-6.22%	49,905	-9.85%
03-22-429-006		DU908	2007	57,031	56,461	-1.00%	46,289	49,706	46,289	0	6,000	52,289	-7.39%	43,016	-17.73%	50,188	16.67%
03-22-429-011		DU908	2007	54,950	54,400	-1.00%	44,379	44,676	44,379	0	6,000	50,379	-7.39%	41,777	-17.07%	49,071	17.46%
03-22-429-012		DU908	2007	46,880	46,411	-1.00%	36,981	38,028	36,981	0	6,000	42,981	-7.39%	34,459	-19.83%	42,473	23.26%
03-22-430-001		DU908	2007	291	288	-1.03%	267	279	267	0	0	267	-7.29%	288	7.87%	260	-9.72%
03-22-430-002		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N
03-22-431-001		DU908	2007	94,076	93,135	-1.00%	70,046	71,546	70,046	0	16,207	86,253	-7.39%	69,739	-19.15%	81,884	17.41%
03-22-431-002		DU908	2007	61,233	60,620	-1.00%	50,140	50,785	50,140	0	6,000	56,140	-7.39%	52,547	-6.40%	47,372	-9.85%
03-22-431-003		DU908	2007	57,157	56,586	-1.00%	46,405	49,827	46,405	0	6,000	52,405	-7.39%	43,119	-17.72%	50,281	16.61%
03-22-434-001		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-22-435-001		DU908	2007	65,430	64,776	-1.00%	53,989	55,267	53,989	0	6,000	59,989	-7.39%	50,391	-16.00%	56,836	12.79%
03-22-435-002		DU908	2007	59,238	58,646	-1.00%	27,097	28,597	27,097	0	27,215	54,312	-7.39%	41,344	-23.88%	56,286	36.14%
03-22-435-003		DU908	2007	65,564	64,908	-1.00%	54,112	57,891	54,112	0	6,000	60,112	-7.39%	50,500	-15.99%	56,935	12.74%
03-22-436-002		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-22-436-003		DU908	2007	805	797	-0.99%	738	772	738	0	0	738	-7.40%	795	7.72%	717	-9.81%
03-22-436-004		DU908	2007	805	797	-0.99%	738	772	738	0	0	738	-7.40%	795	7.72%	717	-9.81%
03-22-436-005		DU908	2007	64,999	64,439	-0.86%	49,594	53,849	49,594	0	10,000	59,594	-7.52%	46,040	-22.74%	60,520	31.45%
03-22-436-006		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-22-436-007		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-22-437-001		DU908	2007	54,142	53,601	-1.00%	49,640	51,935	49,640	0	0	49,640	-7.39%	47,191	-4.93%	42,542	-9.85%
03-23-151-002		DU908	2007	22,319	22,096	-1.00%	20,463	21,409	20,463	0	0	20,463	-7.39%	22,051	7.76%	19,879	-9.85%
03-23-151-006		DU909	2007	11,701	30,206	158.15%	27,974	11,224	11,224	16,750	0	27,974	-7.39%	44,184	57.95%	39,832	-9.85%

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03-23-151-007		DU908	2007	94,464	93,519	-1.00%	86,608	57,018	57,018	29,590	0	86,608	-7.39%	93,329	7.76%	84,136	-9.85%
03-23-151-009		DU908	2007	97,535	96,560	-1.00%	89,424	93,559	89,424	0	0	89,424	-7.39%	44,559	-50.17%	40,170	-9.85%
03-23-301-001		DU908	2007	1,823	1,805	-0.99%	1,672	1,749	1,672	0	0	1,672	-7.37%	1,802	1208.91%	1,625	-92.57%
03-23-301-002		DU908	2007	22,152	21,930	-1.00%	20,309	21,249	20,309	0	0	20,309	-7.39%	21,885	393.95%	19,729	-80.33%
03-23-301-004		DU909	2007	101,536	100,521	-1.00%	93,092	97,396	93,092	0	0	93,092	-7.39%	100,316	7.76%	90,435	-9.85%
03-23-301-006		DU909	2007	1,346	1,333	-0.97%	1,234	1,291	1,234	0	0	1,234	-7.43%	1,330	7.78%	1,199	-9.85%
03-23-303-001		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-303-002		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-303-003		DU908	2007	67,047	66,376	-1.00%	55,471	59,314	55,471	0	6,000	61,471	-7.39%	48,475	-21.14%	45,262	-6.63%
03-23-303-004		DU908	2007	63,070	62,439	-1.00%	57,825	60,499	57,825	0	0	57,825	-7.39%	54,466	-5.81%	49,101	-9.85%
03-23-303-010		DU909	2007	42,756	42,329	-1.00%	39,201	41,013	39,201	0	0	39,201	-7.39%	42,243	7.76%	38,082	-9.85%
03-23-303-011		DU909	2007	25,726	25,468	-1.00%	23,586	24,678	23,586	0	0	23,586	-7.39%	25,416	7.76%	22,913	-9.85%
03-23-303-012		DU908	2007	110,770	109,662	-1.00%	101,558	106,254	101,558	0	0	101,558	-7.39%	109,439	7.76%	98,660	-9.85%
03-23-303-013		DU908	2007	63,586	62,950	-1.00%	52,298	55,994	52,298	0	6,000	58,298	-7.39%	47,908	-17.82%	54,598	13.96%
03-23-303-014		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-303-015		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-304-003		DU909	2007	1,191	1,179	-1.01%	1,092	3,261	1,092	0	0	1,092	-7.38%	1,177	7.78%	1,061	-9.86%
03-23-304-004		DU909	2007	1,704	1,687	-1.00%	1,562	4,667	1,562	0	0	1,562	-7.41%	1,683	7.75%	1,517	-9.86%
03-23-304-007		DU909	2007	18,442	18,258	-1.00%	16,909	31,539	16,909	0	0	16,909	-7.39%	18,221	7.76%	16,426	-9.85%
03-23-304-011		DU909	2007	8,057	7,976	-1.01%	7,387	7,729	7,387	0	0	7,387	-7.38%	7,960	7.76%	7,176	-9.85%
03-23-304-012		DU908	2007	18,585	18,399	-1.00%	17,039	17,827	17,039	0	0	17,039	-7.39%	18,361	7.76%	16,552	-9.85%
03-23-304-013		DU909	2007	660	653	-1.06%	605	633	605	0	0	605	-7.35%	652	7.77%	588	-9.82%
03-23-304-014		DU909	2007	23,361	23,128	-1.00%	21,419	35,982	21,419	0	0	21,419	-7.39%	23,081	7.76%	20,808	-9.85%
03-23-307-001		DU908	2007	70,115	69,413	-1.00%	58,284	62,266	58,284	0	6,000	64,284	-7.39%	53,961	-16.06%	60,055	11.29%
03-23-307-002		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-307-003		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-307-004		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-307-005		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-307-006		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-307-007		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-307-008		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-307-009		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-308-001		DU909	2007	53,672	53,135	-1.00%	49,208	51,484	49,208	0	0	49,208	-7.39%	53,027	7.76%	47,804	-9.85%
03-23-308-002		DU909	2007	64,268	63,626	-1.00%	58,924	61,648	58,924	0	0	58,924	-7.39%	63,497	7.76%	57,243	-9.85%
03-23-308-003		DU909	2007	40,196	39,794	-1.00%	36,853	38,557	36,853	0	0	36,853	-7.39%	39,713	7.76%	35,802	-9.85%
03-23-308-004		DU909	2007	15,400	15,246	-1.00%	14,119	14,772	14,119	0	0	14,119	-7.39%	15,215	7.76%	13,716	-9.85%
03-23-308-005		DU909	2007	263,114	260,483	-1.00%	241,233	252,387	241,233	0	0	241,233	-7.39%	259,953	7.76%	234,348	-9.85%
03-23-308-006		DU909	2007	17,051	16,881	-1.00%	15,634	16,356	15,634	0	0	15,634	-7.39%	16,848	7.77%	15,188	-9.85%
03-23-309-002		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-309-003		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-309-004		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-309-005		DU909	2007	5,199	5,147	-1.00%	4,767	4,987	4,767	0	0	4,767	-7.38%	5,137	7.76%	4,631	-9.85%
03-23-310-001		DU909	2007	61,950	61,331	-1.00%	56,799	59,425	56,799	0	0	56,799	-7.39%	61,207	7.76%	55,178	-9.85%
03-23-310-002		DU909	2007	49,562	49,067	-1.00%	45,441	47,542	45,441	0	0	45,441	-7.39%	48,967	7.76%	55,754	13.86%
03-23-310-003		DU909	2007	39,676	39,279	-1.00%	36,377	38,058	36,377	0	0	36,377	-7.39%	39,200	7.76%	35,339	-9.85%
03-23-310-004		DU909	2007	42,936	42,507	-1.00%	39,366	41,185	39,366	0	0	39,366	-7.39%	42,421	7.76%	38,242	-9.85%
03-23-310-007		DU909	2007	35,515	35,160	-1.00%	32,562	34,067	32,562	0	0	32,562	-7.39%	35,089	7.76%	31,633	-9.85%
03-23-310-008		DU909	2007	64,870	45,654	-29.62%	42,280	62,226	42,280	0	0	42,280	-7.39%	45,560	7.76%	41,072	-9.85%
03-23-310-009		DU909	2007	7,632	7,556	-1.00%	6,998	7,321	6,998	0	0	6,998	-7.38%	7,541	7.76%	6,798	-9.85%
03-23-310-010		DU909	2007	64,866	64,217	-1.00%	59,471	62,222	59,471	0	0	59,471	-7.39%	64,086	7.76%	57,774	-9.85%
03-23-310-011		DU909	2007	64,866	64,217	-1.00%	59,471	62,222	59,471	0	0	59,471	-7.39%	64,086	7.76%	57,774	-9.85%

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03-23-310-014		DU909	2007	64,435	63,791	-1.00%	59,077	61,808	59,077	0	0	59,077	-7.39%	51,236	-13.27%	46,189	-9.85%
03-23-310-015		DU909	2007	41,714	41,297	-1.00%	38,245	40,014	38,245	0	0	38,245	-7.39%	41,213	7.76%	37,154	-9.85%
03-23-311-001		DU908	2007	7,635	7,559	-1.00%	7,000	7,324	7,000	0	0	7,000	-7.40%	7,543	7.76%	6,800	-9.85%
03-23-311-002		DU908	2007	44,185	43,743	-1.00%	40,511	42,383	40,511	0	0	40,511	-7.39%	43,655	7.76%	39,355	-9.85%
03-23-311-003		DU908	2007	766	758	-1.04%	702	735	702	0	0	702	-7.39%	756	7.69%	682	-9.79%
03-23-311-006		DU908	2007	3,958	3,918	-1.01%	3,628	3,797	3,628	0	0	3,628	-7.40%	3,910	7.77%	3,525	-9.85%
03-23-311-007		DU908	2007	2,163	2,141	-1.02%	1,983	2,075	1,983	0	0	1,983	-7.38%	2,137	7.77%	1,927	-9.83%
03-23-311-008		DU908	2007	3,291	3,258	-1.00%	3,017	3,157	3,017	0	0	3,017	-7.40%	3,251	7.76%	2,931	-9.84%
03-23-311-009		DU908	2007	71,881	71,162	-1.00%	59,903	63,951	59,903	0	6,000	65,903	-7.39%	51,119	-22.43%	65,099	27.35%
03-23-311-013		DU908	2007	34,390	34,046	-1.00%	31,530	32,988	31,530	0	0	31,530	-7.39%	33,977	7.76%	30,630	-9.85%
03-23-311-014		DU908	2007	3,958	3,918	-1.01%	3,628	3,797	3,628	0	0	3,628	-7.40%	3,910	7.77%	3,525	-9.85%
03-23-312-001		DU908	2007	48,640	47,975	-1.37%	44,430	46,485	44,430	0	0	44,430	-7.39%	42,558	-4.21%	46,478	9.21%
03-23-312-005		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-312-007		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-312-009		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-313-001		DU908	2007	38,334	37,951	-1.00%	25,147	28,271	25,147	0	10,000	35,147	-7.39%	24,306	-30.84%	43,390	78.52%
03-23-314-001		DU909	2007	38,187	37,805	-1.00%	34,888	36,630	34,888	0	0	34,888	-7.72%	37,425	7.27%	33,739	-9.85%
03-23-314-002		DU909	2007	57,560	56,984	-1.00%	52,773	55,214	52,773	0	0	52,773	-7.39%	56,868	7.76%	51,267	-9.85%
03-23-314-003		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-314-004		DU909	2007	12,626	12,500	-1.00%	11,576	12,111	11,576	0	0	11,576	-7.39%	12,474	7.76%	11,245	-9.85%
03-23-314-005		DU909	2007	3,712	3,675	-1.00%	3,403	3,561	3,403	0	0	3,403	-7.40%	3,667	7.76%	3,306	-9.84%
03-23-314-006		DU908	2007	3,712	3,675	-1.00%	3,403	3,561	3,403	0	0	3,403	-7.40%	3,667	7.76%	3,306	-9.84%
03-23-315-001		DU909	2007	98,436	97,452	-1.00%	90,250	94,423	90,250	0	0	90,250	-7.39%	97,253	7.76%	87,673	-9.85%
03-23-315-002		DU909	2007	9,968	9,868	-1.00%	9,139	9,562	9,139	0	0	9,139	-7.39%	9,848	7.76%	8,878	-9.85%
03-23-315-003		DU909	2007	26,823	26,555	-1.00%	24,592	25,730	24,592	0	0	24,592	-7.39%	26,500	7.76%	23,890	-9.85%
03-23-315-006		DU909	2007	90,253	89,350	-1.00%	82,747	86,574	82,747	0	0	82,747	-7.39%	89,168	7.76%	80,385	-9.85%
03-23-315-007		DU909	2007	82,797	81,969	-1.00%	75,911	79,422	75,911	0	0	75,911	-7.39%	81,802	7.76%	73,745	-9.85%
03-23-318-001		DU908	2007	58,809	58,221	-1.00%	47,919	56,412	47,919	0	6,000	53,919	-7.39%	40,650	-24.61%	48,055	18.22%
03-23-318-002		DU908	2007	82,741	81,914	-1.00%	75,860	79,368	75,860	0	0	75,860	-7.39%	81,747	7.76%	73,695	-9.85%
03-23-318-005		DU909	2007	7,916	7,837	-1.00%	7,258	7,593	7,258	0	0	7,258	-7.39%	7,821	7.76%	7,051	-9.85%
03-23-318-007		DU908	2007	48,336	47,853	-1.00%	44,317	46,365	44,317	0	0	44,317	-7.39%	47,756	7.76%	43,052	-9.85%
03-23-318-008		DU909	2007	196,028	194,068	-1.00%	179,726	188,037	179,726	0	0	179,726	-7.39%	193,673	7.76%	174,596	-9.85%
03-23-318-009		DU909	2007	77,066	76,296	-1.00%	70,658	73,924	70,658	0	0	70,658	-7.39%	76,141	7.76%	68,641	-9.85%
03-23-319-001		DU908	2007	65,784	65,126	-1.00%	54,314	33,559	33,559	20,755	6,000	60,314	-7.39%	56,680	-6.03%	56,704	0.04%
03-23-319-002		DU908	2007	63,255	62,622	-1.00%	47,995	55,677	47,995	0	10,000	57,995	-7.39%	44,597	-23.10%	59,219	32.79%
03-23-319-003		DU908	2007	45,849	45,391	-1.00%	42,037	43,980	42,037	0	0	42,037	-7.39%	44,221	5.20%	39,865	-9.85%
03-23-319-004		DU909	2007	13,484	13,349	-1.00%	12,363	12,934	12,363	0	0	12,363	-7.39%	13,322	7.76%	12,010	-9.85%
03-23-319-008		DU909	2007	127,897	126,618	-1.00%	117,261	122,683	117,261	0	0	117,261	-7.39%	126,360	7.76%	113,913	-9.85%
03-23-319-009		DU909	2007	38,609	38,223	-1.00%	35,398	37,035	35,398	0	0	35,398	-7.39%	38,145	7.76%	34,387	-9.85%
03-23-320-001		DU908	2007	65,179	64,527	-1.00%	59,758	62,522	59,758	0	0	59,758	-7.39%	57,155	-4.36%	51,526	-9.85%
03-23-320-004		DU909	2007	120,440	119,235	-1.00%	110,424	115,530	110,424	0	0	110,424	-7.39%	118,993	7.76%	107,272	-9.85%
03-23-320-005		DU909	2007	95,243	94,290	-1.00%	87,322	91,360	87,322	0	0	87,322	-7.39%	94,098	7.76%	84,830	-9.85%
03-23-329-035		DU908	2007	1,429	1,415	-0.98%	1,310	1,371	1,310	0	0	1,310	-7.42%	1,412	7.79%	1,273	-9.84%
03-23-351-001		DU909	2007	19,657	19,461	-1.00%	18,023	18,856	18,023	0	0	18,023	-7.39%	19,422	7.76%	17,509	-9.85%
03-23-351-004		DU909	2007	77,904	77,124	-1.00%	71,425	74,728	71,425	0	0	71,425	-7.39%	76,968	7.76%	69,387	-9.85%
03-23-351-005		DU909	2007	49,005	48,515	-1.00%	44,930	47,007	44,930	0	0	44,930	-7.39%	48,417	7.76%	43,648	-9.85%
03-23-351-008		DU909	2007	63,577	62,942	-1.00%	58,291	60,985	58,291	0	0	58,291	-7.39%	62,814	7.76%	56,627	-9.85%
03-23-351-011		DU909	2007	614,395	608,251	-1.00%	563,302	589,348	563,302	0	0	563,302	-7.39%	482,676	-14.31%	435,132	-9.85%
03-23-351-012		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-352-001		DU909	2007	72,677	71,950	-1.00%	66,633	69,714	66,633	0	0	66,633	-7.39%	71,804	7.76%	64,732	-9.85%
03-23-352-005		DU909	2007	8,066	7,985	-1.00%	7,395	7,737	7,395	0	0	7,395	-7.39%	7,969	7.76%	7,184	-9.85%

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03-23-352-010		DU908	2007	75,505	74,750	-1.00%	69,226	72,427	69,226	0	0	69,226	-7.39%	64,251	-7.19%	57,922	-9.85%
03-23-352-011		DU908	2007	85,558	84,702	-1.00%	78,443	82,070	78,443	0	0	78,443	-7.39%	84,530	7.76%	76,204	-9.85%
03-23-352-012		DU909	2007	11,571	11,455	-1.00%	10,608	11,099	10,608	0	0	10,608	-7.39%	11,431	7.76%	10,305	-9.85%
03-23-352-013		DU909	2007	74,240	73,498	-1.00%	68,067	71,214	68,067	0	0	68,067	-7.39%	73,349	7.76%	66,124	-9.85%
03-23-353-009		DU908	2007	1,429	1,415	-0.98%	1,310	1,371	1,310	0	0	1,310	-7.42%	1,412	7.79%	1,273	-9.84%
03-23-353-011		DU908	2007	40,384	39,980	-1.00%	37,025	38,738	37,025	0	0	37,025	-7.39%	39,898	7.76%	35,968	-9.85%
03-23-353-012		DU908	2007	35,461	35,107	-1.00%	32,513	34,015	32,513	0	0	32,513	-7.39%	30,948	-4.81%	33,457	8.11%
03-23-356-002		DU909	2007	29,897	29,598	-1.00%	30,159	28,678	28,678	1,481	0	30,159	1.90%	32,500	7.76%	29,299	-9.85%
03-23-356-003		DU909	2007	340,875	337,466	-1.00%	312,528	326,979	312,528	0	0	312,528	-7.39%	155,785	-50.15%	140,440	-9.85%
03-23-356-004		DU909	2007	99,855	98,857	-1.00%	91,551	95,784	91,551	0	0	91,551	-7.39%	98,655	7.76%	88,937	-9.85%
03-23-356-006		DU908	2007	84,776	83,928	-1.00%	77,726	81,319	77,726	0	0	77,726	-7.39%	74,234	-4.49%	70,528	-4.99%
03-23-356-009		DU908	2007	28,955	28,665	-1.00%	26,547	27,775	26,547	0	0	26,547	-7.39%	26,638	0.34%	26,757	0.45%
03-23-356-010		DU908	2007	38,579	38,194	-1.00%	29,372	32,007	29,372	0	6,000	35,372	-7.39%	27,976	-20.91%	36,629	30.93%
03-23-356-011		DU908	2007	41,197	40,785	-1.00%	37,771	39,518	37,771	0	0	37,771	-7.39%	35,531	-5.93%	32,031	-9.85%
03-23-356-012		DU908	2007	58,157	57,575	-1.00%	47,320	50,786	47,320	0	6,000	53,320	-7.39%	43,355	-18.69%	50,493	16.46%
03-23-356-013		DU908	2007	57,147	56,575	-1.00%	46,394	49,818	46,394	0	6,000	52,394	-7.39%	48,531	-7.37%	43,751	-9.85%
03-23-356-014		DU908	2007	63,292	62,659	-1.00%	58,028	60,712	58,028	0	0	58,028	-7.39%	62,531	7.76%	30,842	-50.68%
03-23-356-015		DU908	2007	44,958	44,508	-1.00%	41,219	43,125	41,219	0	0	41,219	-7.39%	42,287	2.59%	35,912	-15.08%
03-23-356-016		DU909	2007	82,647	40,911	-50.50%	37,888	79,278	37,888	0	0	37,888	-7.39%	75,859	100.22%	68,387	-9.85%
03-23-356-017		DU908	2007	67,931	67,252	-1.00%	62,282	65,161	62,282	0	0	62,282	-7.39%	67,115	7.76%	60,504	-9.85%
03-23-356-019		DU909	2007	109,423	108,329	-1.00%	100,323	104,962	100,323	0	0	100,323	-7.39%	108,109	7.76%	97,460	-9.85%
03-23-356-021		DU909	2007	4,499	4,454	-1.00%	4,125	4,316	4,125	0	0	4,125	-7.39%	4,445	7.76%	4,007	-9.85%
03-23-356-022		DU909	2007	110,968	109,859	-1.00%	101,741	106,444	101,741	0	0	101,741	-7.39%	109,636	7.76%	98,836	-9.85%
03-23-357-012		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-357-013		DU908	2007	62,186	61,564	-1.00%	57,015	59,651	57,015	0	0	57,015	-7.39%	44,270	-22.35%	0	N/A
03-23-357-014		DU908	2007	143,705	142,268	-1.00%	131,754	137,847	131,754	0	0	131,754	-7.39%	102,302	-22.35%	0	N/A
03-23-357-017		DU908	2007	102,124	101,102	-1.00%	93,630	164,014	93,630	0	0	93,630	-7.39%	100,896	7.76%	90,958	-9.85%
03-23-357-018		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-357-019		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-357-020		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-357-021		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-23-357-022														0		0	N/A
03-23-357-023														0		0	N/A
03-23-359-002		DU908	2007	38,250	38,135	-0.30%	29,317	31,950	29,317	0	6,000	35,317	-7.39%	31,519	-10.75%	39,823	26.35%
03-23-359-003		DU908	2007	58,837	58,249	-1.00%	47,945	49,021	47,945	0	6,000	53,945	-7.39%	45,017	-16.55%	51,992	15.49%
03-23-359-004		DU908	2007	62,823	62,195	-1.00%	51,599	55,262	51,599	0	6,000	57,599	-7.39%	48,531	-15.74%	55,160	13.66%
03-23-359-005		DU908	2007	50,836	50,328	-1.00%	21,943	23,443	21,943	0	24,666	46,609	-7.39%	21,943	-52.92%	50,112	128.37%
03-23-359-006		DU908	2007	83,760	82,922	-1.00%	66,794	71,845	66,794	0	10,000	76,794	-7.39%	61,762	-19.57%	73,256	18.61%
03-23-359-007		DU908	2007	52,946	52,416	-1.00%	42,542	45,787	42,542	0	6,000	48,542	-7.39%	31,477	-35.16%	28,377	-9.85%
03-23-360-008		DU910	2007	19,827	19,629	-1.00%	18,178	19,019	18,178	0	0	18,178	-7.39%	19,589	7.76%	17,659	-9.85%
03-23-360-009		DU910	2007	6,608	6,542	-1.00%	6,058	6,339	6,058	0	0	6,058	-7.40%	6,528	7.76%	5,885	-9.85%
03-23-360-010		DU910	2007	6,608	6,542	-1.00%	6,058	6,339	6,058	0	0	6,058	-7.40%	6,528	7.76%	5,885	-9.85%
03-23-361-001		DU908	2007	66,175	65,513	-1.00%	31,593	33,093	31,593	0	29,078	60,671	-7.39%	47,967	-20.94%	62,258	29.79%
03-23-361-003		DU908	2007	111,921	110,802	-1.00%	102,614	107,359	102,614	0	0	102,614	-7.39%	110,577	7.76%	99,685	-9.85%
03-23-361-004		DU908	2007	13,403	13,269	-1.00%	12,288	12,857	12,288	0	0	12,288	-7.39%	13,242	7.76%	11,938	-9.85%
03-23-361-006		DU908	2007	76,265	75,502	-1.00%	63,922	68,156	63,922	0	6,000	69,922	-7.39%	58,765	-15.96%	64,386	9.57%
03-23-361-007		DU908	2007	39,517	39,121	-1.00%	36,230	37,906	36,230	0	0	36,230	-7.39%	35,089	-3.15%	31,633	-9.85%
03-23-362-001		DU908	2007	748,646	741,160	-1.00%	713,516	718,126	713,516	0	0	713,516	-3.73%	671,303	-5.92%	605,180	-9.85%
03-23-376-013		DU908	2007	44,039	43,598	-1.00%	40,376	42,243	40,376	0	0	40,376	-7.39%	43,509	7.76%	39,223	-9.85%
03-23-376-021		DU908	2007	119,443	118,249	-1.00%	109,511	114,573	109,511	0	0	109,511	-7.39%	118,009	7.76%	57,337	-51.41%
03-23-376-022		DU908	2007	181,865	151,221	-16.85%	140,045	174,451	140,045	0	0	140,045	-7.39%	150,912	7.76%	136,047	-9.85%

Village of East Dundee, Illinois
TIF District EAV Analysis (Tax Year 2011)

Parcel Number	Parcel Deleted Year	Tax Code	Base Year	Total Assessment (2008)	Total Assessment (2009)	% Change (from 2008)	Net Taxable Value (2010)	TIF Base Value	Value to Districts (2010)	TIF Increment (2010)	Exemption Amount (2010)	Total Assessment (2010)	% Change (from 2009)	Total Assessment (2011)	% Change (from 2010)	Total Assessment (Preliminary - 2012)	% Change (from 2011)
03-23-377-004		DU908	2007	177,671	175,894	-1.00%	162,896	170,428	162,896	0	0	162,896	-7.39%	175,537	7.76%	158,246	-9.85%
03-23-380-012		DU908	2007	4,329	4,286	-0.99%	3,969	23,888	3,969	0	0	3,969	-7.40%	4,277	7.76%	3,856	-9.84%
03-23-381-011		DU908	2007	236,664	234,297	-1.00%	216,983	227,016	216,983	0	0	216,983	-7.39%	233,821	7.76%	210,790	-9.85%
03-23-453-013		DU908	2007	38,870	38,481	-1.00%	35,637	37,285	35,637	0	0	35,637	-7.39%	38,402	7.76%	34,619	-9.85%
03-23-453-018		DU908	2007	19,065	18,874	-1.00%	17,479	18,288	17,479	0	0	17,479	-7.39%	18,835	7.76%	16,980	-9.85%
03-23-453-019		DU908	2007	163,619	161,982	-1.00%	150,012	156,949	150,012	0	0	150,012	-7.39%	161,653	7.76%	145,730	-9.85%
03-23-453-020		DU908	2007	17,856	17,677	-1.00%	16,371	17,128	16,371	0	0	16,371	-7.39%	17,641	7.76%	15,903	-9.85%
03-23-453-021		DU908	2007	174,734	172,987	-1.00%	160,203	167,610	160,203	0	0	160,203	-7.39%	172,635	7.76%	155,631	-9.85%
03-23-455-012		DU908	2007	17,856	17,677	-1.00%	16,371	17,128	16,371	0	0	16,371	-7.39%	17,641	7.76%	15,903	-9.85%
03-23-455-013		DU908	2007	116,055	114,894	-1.00%	106,404	111,324	106,404	0	0	106,404	-7.39%	114,661	7.76%	103,367	-9.85%
03-23-455-014		DU908	2007	201,594	199,578	-1.00%	184,829	193,376	184,829	0	0	184,829	-7.39%	199,172	7.76%	179,553	-9.85%
03-23-455-019		DU908	2007	292,127	289,206	-1.00%	267,833	280,218	267,833	0	0	267,833	-7.39%	288,617	7.76%	260,188	-9.85%
03-23-455-020		DU908	2007	17,170	16,998	-1.00%	15,742	16,470	15,742	0	0	15,742	-7.39%	16,964	7.76%	15,293	-9.85%
03-24-177-007		DU908	2009			N/A	28,609	31,223	28,609	0	0	28,609	N/A	30,829	7.76%	27,792	-9.85%
03-24-276-006		DU908	2009			N/A	66,488	71,666	66,488	0	0	66,488	N/A	56,973	-14.31%	51,361	-9.85%
03-24-276-008		DU908	2009			N/A	120,146	131,290	120,146	0	0	120,146	N/A	129,469	7.76%	116,717	-9.85%
03-24-302-071		DU908	2009			N/A	976	240	240	736	0	976	N/A	1,052	7.79%	948	-9.89%
03-24-326-011		DU908	2009			N/A	20,835	22,498	20,835	0	0	20,835	N/A	22,452	7.76%	20,240	-9.85%
03-24-326-013		DU908	2009			N/A	10,315	11,120	10,315	0	0	10,315	N/A	11,115	7.76%	10,020	-9.85%
03-24-326-015		DU908	2009			N/A	9,176	10,355	9,176	0	0	9,176	N/A	9,888	7.76%	8,914	-9.85%
03-24-326-017		DU908	2009			N/A	7,538	3,086	3,086	4,452	0	7,538	N/A	8,123	7.76%	7,323	-9.85%
03-24-400-006		DU908	2009			N/A	14,533	49,041	14,533	0	0	14,533	N/A	15,661	7.76%	14,118	-9.85%
03-24-460-001		DU908	2009			N/A	4,978	5,375	4,978	0	0	4,978	N/A	5,364	7.75%	4,836	-9.84%
03-24-461-001		DU908	2009			N/A	2,027	2,189	2,027	0	0	2,027	N/A	2,184	7.75%	1,969	-9.84%
03-25-200-046		DU908	2009			N/A	10,934	11,806	10,934	0	0	10,934	N/A	11,782	7.76%	10,621	-9.85%
03-26-106-001		DU908	2007	6,339	6,276	-0.99%	5,812	6,081	5,812	0	0	5,812	-7.39%	6,263	7.76%	5,646	-9.85%
03-26-106-002		DU908	2007	69,968	69,268	-1.00%	64,149	67,115	64,149	0	0	64,149	-7.39%	69,126	7.76%	62,317	-9.85%
03-26-106-003		DU908	2007	162,626	160,999	-1.00%	149,101	155,996	149,101	0	0	149,101	-7.39%	160,671	7.76%	144,845	-9.85%
03-26-106-004		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-26-106-007		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-26-107-001		DU911	2007	102,707	101,680	-1.00%	94,165	98,520	94,165	0	0	94,165	-7.39%	101,472	7.76%	91,477	-9.85%
03-26-107-002		DU911	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-26-226-004		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-26-226-005		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-26-226-007		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
03-26-227-002		DU908	2007	0	0	N/A	0	0	0	0	0	0	N/A	0	N/A	0	N/A
Totals				11,030,574	10,850,763	-1.63%	10,087,957	10,720,653	10,012,828	75,129	287,166	10,375,123	-4.38%	10,118,705	-2.47%	9,358,052	-7.52%

EXHIBIT A-2

Largest TIF Taxpayers (Existing Development)

Village of East Dundee, Illinois
TIF District EAV Analysis

Parcel Number				Total	Total	Total	Total		
	Tax Code	Base Year	TIF Base Value	Assessment (2008)	Assessment (2009)	Assessment (2010)	Assessment (2011)	Preliminary (2012)	Taxpayer of Record
03-24-276-004	DU904	2000	23,353	118,511	43,453	40,242	deleted	deleted	NONE/SPRINTCOM
03-25-151-009	DU905	2005	1,930,747	2,198,373	2,176,389	2,015,554	2,099,790	1,892,870	WAL-MART/DUNDEE/ROS LIMITED PARTNERSHIP
03-26-227-007	DU906	2005	1,827,029	2,080,279	2,059,476	1,907,281	1,970,000	1,937,973	RIVER VALLEY SQUARE ASSOCIATES LTD
03-26-279-007	DU905	2005	1,315,289	1,877,521	1,858,746	1,721,385	1,854,964	1,672,250	STERLING BAY COMPANIES LLC
03-24-225-009	DU904	2000	1,683		136,231	673,248	912,164	822,316	INVERNESS REALTY PARTNERS LLC
03-13-475-012	DU904	2000	3,560	751,560	744,045	689,061	1,105,000	998,157	SHILKUS PROPERTIES LLC
03-24-225-012	DU904	2000	1,443		156,017	608,458	834,217	752,047	BELTRAMI ENTERPRISES LLC
03-25-150-002	DU905	2005	210,100	5,687	5,630	336,441	700,326	897,849	PALNCAP ONE, LLC
03-25-301-003	DU905	2005	745,164	848,454	839,969	777,895	838,259	755,690	AMERICAN NATIONAL BANK & TRUST CO CHICAGO
03-26-426-026	DU905	2005	694,188	833,510	825,174	764,194	823,496	742,381	ANDERSON, JAMES A & L DIANE
03-13-474-002	DU904	2000	1,090			491,264	668,100	602,292	FRIGEL NORTH AMERICA INC
03-13-476-005	DU904	2000	1,895	483,174	478,342	442,992	697,897	629,154	PAB INVESTMENTS LLC
03-13-476-004	DU904	2000	1,895	474,843	470,094	435,354	740,041	667,147	ROMY, MILTON J & LORRAINE B
03-23-362-001	DU908	2007	718,126	748,646	741,160	713,516	671,303	605,180	HAEGER POTTERIES INC
03-24-227-002	DU904	2000	1,840	468,290	463,608	429,347	723,044	651,824	BRUNS, NICHOLAS A & YVONNE S
03-25-301-006	DU905	2005	611,131	695,840	688,882	637,974	687,481	619,765	AMERICAN NATIONAL BANK CHICAGO
03-24-225-008	DU904	2000	2,000	441,399	436,986	404,693	538,280	485,259	CELL-PARTS MANUFACTURING COMPANY
03-23-351-011	DU909	2007	589,348	614,395	608,251	563,302	482,676	435,132	AT&T/AMERITECH - ILLINOIS
03-25-100-012	DU905	2005	246,191	280,317	277,514	257,005	570,684	514,471	WFLP DUNDEE LLC
03-24-225-011	DU904	2000	1,684		230,987	355,578	430,424	388,027	TWINKLE FINANCE & INVESTMENTS INC
03-13-475-011	DU904	2000	1,500	340,431	337,027	312,121	416,625	375,588	VENI VIDI VICI LLC

EXHIBIT B-1

EAV Projections During Absorption – GAT Guns Development

Village of East Dundee, Illinois
GAT Guns Redevelopment Project
Estimate of Equalized Assessed Valuation

Estimated Equalized Assessed Valuation for Tax Assessment Year: 2012														
Component Name	Project Description	Class Code	Sq. Ft./ # Units(1)	Market Value Sq. Ft./Unit	% Occupied for Year	% Occupancy	Reassmnt. Factor	Property Value	Assessment Level	Assessed Value	Equalization Factor	Equalized Assessed Value	Tax Rate	Real Estate Taxes
1	Existing Facility	3	23,000	39.56	100.00%	100.00%	100.00%	909,898	33.33%	303,269	1.00000	303,269	8.005%	24,278
2	Expansion Space	3	41,568	70.00	0.00%	0.00%	100.00%	0	33.33%	0	1.00000	0	8.005%	0
Totals								909,898				303,269		24,278

Estimated Equalized Assessed Valuation for Tax Assessment Year: 2013															
Component Name	Project Description	Class Code	Sq. Ft./ # Units(1)	Market Value Sq. Ft./Unit	% Occupied for Year	% Occupancy	Reassmnt. Factor	Property Value	Assessment Level	Assessed Value	Equalization Factor	Equalized Assessed Value	Tax Rate	Real Estate Taxes	
1	Existing Facility	3	23,000	39.56	100.00%	100.00%	100.00%	909,898	33.33%	303,269	1.00000	303,269	8.005%	24,278	
2	Expansion Space	3	41,568	70.00	50.00%	100.00%	100.00%	1,454,880	33.33%	484,912	1.00000	484,912	8.005%	38,819	
Totals									2,364,778				788,181		63,096

Estimated Equalized Assessed Valuation for Tax Assessment Year: 2014														
Component Name	Project Description	Class Code	Sq. Ft./ # Units(1)	Market Value Sq. Ft./Unit	% Occupied for Year	% Occupancy	Reassmnt. Factor	Property Value	Assessment Level	Assessed Value	Equalization Factor	Equalized Assessed Value	Tax Rate	Real Estate Taxes
1	Existing Facility	3	23,000	39.56	100.00%	100.00%	100.00%	909,898	33.33%	303,269	1.00000	303,269	8.005%	24,278
2	Expansion Space	3	41,568	70.00	100.00%	100.00%	100.00%	2,909,760	33.33%	969,823	1.00000	969,823	8.005%	77,637
Totals								3,819,658				1,273,092		101,915

EXHIBIT B-2

Incremental Property Tax Projections – GAT Guns Development

Village of East Dundee, Illinois
GAT Guns Redevelopment Project
Preliminary Tax Pro Forma

Levy Year: 2012 2013 2014 2015 2016 2017 2018 2019

Component Name	Project Description	Occupancy Date	Sq. Ft./ # Units(1)	Market Value Sq. Ft./Unit		Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7
1	Existing Facility	Jul-12	23,000	39.56	303,269	303,269	303,269	307,818	312,435	317,122	321,879	326,707
2	Expansion Space	Jan-14	41,568	70.00	0	484,912	969,823	984,370	999,136	1,014,123	1,029,335	1,044,775
Total EAV All Components					303,269	788,181	1,273,092	1,292,188	1,311,571	1,331,245	1,351,213	1,371,482
I. Limited Incremental Property Taxes:												
(a)	Base EAV				336,404	336,404	336,404	336,404	336,404	336,404	336,404	336,404
(b)	Incremental EAV				0	451,777	936,688	955,784	975,167	994,841	1,014,809	1,035,078
(c)	Tax Rate 8.005295%				8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%
(d)	Total Est. Limited Incremental Property Taxes				0	0	36,166	74,985	76,513	78,065	79,640	81,238
(e)	Cumulative Limited Incremental Property Taxes				0	0	36,166	111,151	187,664	265,729	345,369	426,607

Village of East Dundee, Illinois
GAT Guns Redevelopment Project
Preliminary Tax Pro Forma

Levy Year: 2020 2021 2022 2023 2024 2025 2026 2027 2028

Component Name	Project Description	Occupancy Date	Sq. Ft./ # Units(1)	Market Value Sq. Ft./Unit	Yr. 8	Yr. 9	Yr.10	Yr. 11	Yr. 12	Yr. 13	Yr. 14	Yr. 15	Yr. 16
1	Existing Facility	Jul-12	23,000	39.56	331,607	336,582	341,630	346,755	351,956	357,235	362,594	368,033	373,553
2	Expansion Space	Jan-14	41,568	70.00	1,060,446	1,076,353	1,092,498	1,108,886	1,125,519	1,142,402	1,159,538	1,176,931	1,194,585
Total EAV All Components					1,392,054	1,412,935	1,434,129	1,455,641	1,477,475	1,499,637	1,522,132	1,544,964	1,568,138
I. Limited Incremental Property Taxes:													
(a)	Base EAV				336,404	336,404	336,404	336,404	336,404	336,404	336,404	336,404	336,404
(b)	Incremental EAV				1,055,650	1,076,531	1,097,725	1,119,237	1,141,071	1,163,233	1,185,728	1,208,560	1,231,734
(c)	Tax Rate 8.005295%				8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%
(d)	Total Est. Limited Incremental Property Taxes				82,861	84,508	86,179	87,876	89,598	91,346	93,120	94,921	96,749
(e)	Cumulative Limited Incremental Property Taxes				509,469	593,976	680,156	768,032	857,630	948,976	1,042,097	1,137,018	1,233,766

Village of East Dundee, Illinois
GAT Guns Redevelopment Project
Preliminary Tax Pro Forma

Levy Year: 2029 2030 2031 2032 2033 2034 2035 2036

Component Name	Project Description	Occupancy Date	Sq. Ft./ # Units(1)	Market Value Sq. Ft./Unit	Yr. 17	Yr. 18	Yr. 19	Yr. 20	Yr. 21	Yr. 22	Yr. 23	Yr. 24
1	Existing Facility	Jul-12	23,000	39.56	379,157	384,844	390,617	396,476	402,423	408,459	414,586	420,805
2	Expansion Space	Jan-14	41,568	70.00	1,212,504	1,230,691	1,249,152	1,267,889	1,286,907	1,306,211	1,325,804	1,345,691
Total EAV All Components					1,591,660	1,615,535	1,639,768	1,664,365	1,689,330	1,714,670	1,740,390	1,766,496
I. Limited Incremental Property Taxes:												
(a)	Base EAV				336,404	336,404	336,404	336,404	336,404	336,404	336,404	336,404
(b)	Incremental EAV				1,255,256	1,279,131	1,303,364	1,327,961	1,352,926	1,378,266	1,403,986	1,430,092
(c)	Tax Rate 8.005295%				8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%
(d)	Total Est. Limited Incremental Property Taxes				98,604	100,487	102,398	104,338	106,307	108,306	110,334	112,393
(e)	Cumulative Limited Incremental Property Taxes				1,332,370	1,432,857	1,535,256	1,639,594	1,745,901	1,854,207	1,964,541	2,076,934

EXHIBIT C-1

EAV Projections During Absorption – River Haven Development

Village of East Dundee, Illinois
River Haven Development Project
Estimate of Equalized Assessed Valuation

Estimated Equalized Assessed Valuation for Tax Assessment Year: 2012														
Component Name	Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	% Occupied for Year	% Occupancy	Reassmnt. Factor	Property Value	Assessment Level	Assessed Value	Equalization Factor	Equalized Assessed Value	Tax Rate	Real Estate Taxes
1	Senior Living Facility-Building	4	72	45,500.00	0.00%	0.00%	100.00%	0	33.33%	0	1.00000	0	8.005%	0
2	Veteran Living Facility-Homes	4	68	55,500.00	0.00%	0.00%	100.00%	0	33.33%	0	1.00000	0	8.005%	0
Totals								0				0		0

Estimated Equalized Assessed Valuation for Tax Assessment Year:		2013												
Component Name	Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	% Occupied for Year	% Occupancy	Reassmnt. Factor	Property Value	Assessment Level	Assessed Value	Equalization Factor	Equalized Assessed Value	Tax Rate	Real Estate Taxes
1	Senior Living Facility-Building	4	72	45,500.00	25.00%	100.00%	100.00%	819,000	33.33%	272,973	1.00000	272,973	8.005%	21,852
2	Veteran Living Facility-Homes	4	68	55,500.00	25.00%	100.00%	100.00%	943,500	33.33%	314,469	1.00000	314,469	8.005%	25,174
Totals								1,762,500				587,441		47,026

Estimated Equalized Assessed Valuation for Tax Assessment Year:		2014												
Component Name	Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	% Occupied for Year	% Occupancy	Reassmnt. Factor	Property Value	Assessment Level	Assessed Value	Equalization Factor	Equalized Assessed Value	Tax Rate	Real Estate Taxes
1	Senior Living Facility-Building	4	72	45,500.00	100.00%	100.00%	100.00%	3,276,000	33.33%	1,091,891	1.00000	1,091,891	8.005%	87,409
2	Veteran Living Facility-Homes	4	68	55,500.00	100.00%	100.00%	100.00%	3,774,000	33.33%	1,257,874	1.00000	1,257,874	8.005%	100,697
Totals								7,050,000				2,349,765		188,106

EXHIBIT C-2

Incremental Property Tax Projections – River Haven Development

Village of East Dundee, Illinois
River Haven Development Project
Projected Property Incremental Taxes

Levy Year:					2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Component Name	Project Description	Occupancy Date	Sq. Ft./ # Units	Market Value Sq. Ft./Unit											
1	Senior Living Facility-Building	Jan-13	72	45,500.00	0	272,973	1,091,891	1,108,269	1,124,893	1,141,767	1,158,893	1,176,276	1,193,921	1,211,829	1,230,007
2	Veteran Living Facility-Homes	Jan-13	68	55,500.00	0	314,469	1,257,874	1,276,742	1,295,893	1,315,332	1,335,062	1,355,088	1,375,414	1,396,045	1,416,986
Total EAV All Components					0	587,441	2,349,765	2,385,011	2,420,787	2,457,098	2,493,955	2,531,364	2,569,335	2,607,875	2,646,993
I. Incremental Property Taxes:															
(a) Base EAV					3,892	3,892	3,892	3,892	3,892	3,892	3,892	3,892	3,892	3,892	3,892
(b) Incremental EAV					0	583,549	2,345,873	2,381,119	2,416,895	2,453,206	2,490,063	2,527,472	2,565,443	2,603,983	2,643,101
(c) Tax Rate : 8.0053%					8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%
(d) Total Est. Incremental Property Taxes					0	0	46,715	187,794	190,616	193,480	196,386	199,337	202,332	205,371	208,456
(e) TIF Administrative Costs					0	0	0	0	0	0	0	0	0	0	0
(f) Incremental Property Taxes for Redevelopment Costs					0	0	46,715	187,794	190,616	193,480	196,386	199,337	202,332	205,371	208,456
(g) Cumulative Incremental Property Taxes					0	0	46,715	234,509	425,125	618,604	814,990	1,014,327	1,216,659	1,422,030	1,630,487

Village of East Dundee, Illinois
River Haven Development Project
Projected Property Incremental Taxes

Levy Year: 2023 2024 2025 2026 2027 2028 2029 2030

Component Name	Project Description	Occupancy Date	Sq. Ft./ # Units	Market Value Sq. Ft./Unit								
1	Senior Living Facility-Building	Jan-13	72	45,500.00	1,248,457	1,267,184	1,286,192	1,305,484	1,325,067	1,344,943	1,365,117	1,385,594
2	Veteran Living Facility-Homes	Jan-13	68	55,500.00	1,438,241	1,459,814	1,481,712	1,503,937	1,526,496	1,549,394	1,572,635	1,596,224
Total EAV All Components					2,686,698	2,726,998	2,767,903	2,809,422	2,851,563	2,894,337	2,937,752	2,981,818
I. Incremental Property Taxes:												
(a)	Base EAV				3,892	3,892	3,892	3,892	3,892	3,892	3,892	3,892
(b)	Incremental EAV				2,682,806	2,723,106	2,764,011	2,805,530	2,847,671	2,890,445	2,933,860	2,977,926
(c)	Tax Rate : 8.0053%				8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%	8.005295%
(d)	Total Est. Incremental Property Taxes				211,588	214,767	217,993	221,267	224,591	227,964	231,389	234,864
(e)	TIF Administrative Costs	Not Applicable			0	0	0	0	0	0	0	0
(f)	Incremental Property Taxes for Redevelopment Costs				211,588	214,767	217,993	221,267	224,591	227,964	231,389	234,864
(g)	Cumulative Incremental Property Taxes				1,842,075	2,056,841	2,274,834	2,496,101	2,720,692	2,948,657	3,180,045	3,414,909

EXHIBIT D-1

Incremental Property Tax Projections – TIF No. 1

Village of East Dundee, Illinois
Projections of TIF Increment - Prairie Lakes RDA (TIF No. 1)
(Property Tax Increment Analysis)

Levy	Collection	Total	%	Base	TIF	%	Tax	Incremental
<u>Year</u>	<u>Year</u>	<u>EAV</u>	<u>Incr./Decr.</u>	<u>EAV</u>	<u>EAV</u>	<u>Incr./Decr.</u>	<u>Rate</u>	<u>Property Taxes</u>
2006	2007	5,466,920	N/A	76,693	5,390,227	N/A	6.603467%	355,942
2007	2008	6,523,510	19.33%	77,108	6,446,402	19.59%	6.457238%	416,260
2008	2009	8,221,486	26.03%	77,221	8,144,265	26.34%	6.449825%	525,291
2009	2010	8,450,805	2.79%	77,193	8,373,612	2.82%	6.677206%	559,123
2010	2011	9,246,943	9.42%	76,991	9,169,952	9.51%	7.572211%	694,368
2011	2012	13,681,197	47.95%	52,860	13,628,337	48.62%	8.005295%	1,090,989
2012	2013	12,357,243	-9.68%	52,591	12,304,652	-9.71%	8.005295%	985,024
2013	2014	11,739,381	-5.00%	52,591	11,686,790	-5.02%	8.005295%	935,562
2014	2015	11,739,381	0.00%	52,591	11,686,790	0.00%	8.005295%	935,562
2015	2016	11,915,472	1.50%	52,591	11,862,881	1.51%	8.005295%	949,659
2016	2017	12,094,204	1.50%	52,591	12,041,613	1.51%	8.005295%	963,967
2017	2018	12,275,617	1.50%	52,591	12,223,026	1.51%	8.005295%	978,489
2018	2019	12,459,751	1.50%	52,591	12,407,160	1.51%	8.005295%	993,230
2019	2020	12,646,647	1.50%	52,591	12,594,056	1.51%	8.005295%	1,008,191
2020	2021	12,836,347	1.50%	52,591	12,783,756	1.51%	8.005295%	1,023,377
2021	2022	13,028,892	1.50%	52,591	12,976,301	1.51%	8.005295%	1,038,791
2022	2023	13,224,325	1.50%	52,591	13,171,734	1.51%	8.005295%	1,054,436
2023	2024	13,422,690	1.50%	52,591	13,370,099	1.51%	8.005295%	1,070,316

EXHIBIT D-2

Incremental Property Tax Projections – TIF No. 2 (Excluding River Haven Development)

Village of East Dundee, Illinois
Projections of TIF Increment - Rte. 25 RDA (TIF No. 2)
(Property Tax Increment Analysis)

Levy Year	Collection Year	Total EAV	% Incr./Decr.	Base EAV	TIF Incremental EAV	% Incr./Decr.	Tax Rate	Adjustment for Reductions (1)	Incremental Property Taxes
2006	2007	11,530,591	N/A	10,677,090	853,501	N/A	6.603467%		56,361
2007	2008	12,191,728	5.73%	10,680,394	1,511,334	77.07%	6.457238%		97,590
2008	2009	12,180,521	-0.09%	10,258,700	1,921,821	27.16%	6.449825%		123,954
2009	2010	12,056,808	-1.02%	10,244,374	1,812,434	-5.69%	6.677206%		121,020
2010	2011	11,427,616	-5.22%	10,307,688	1,119,928	-38.21%	7.572211%		84,803
2011	2012	13,211,652	15.61%	10,342,933	2,868,719	156.15%	8.005295%		229,649
2012	2013	12,462,193	-5.67%	10,250,698	2,211,495	-22.91%	8.005295%		177,037
2013	2014	11,839,083	-5.00%	10,250,698	1,588,385	-28.18%	8.005295%	(62,972)	127,155
2014	2015	11,839,083	0.00%	10,250,698	1,588,385	0.00%	8.005295%	(63,916)	63,238
2015	2016	12,016,670	1.50%	10,250,698	1,765,972	11.18%	8.005295%	(64,875)	76,496
2016	2017	12,196,920	1.50%	10,250,698	1,946,222	10.21%	8.005295%	(65,848)	89,952
2017	2018	12,379,873	1.50%	10,250,698	2,129,175	9.40%	8.005295%	(66,836)	103,611
2018	2019	12,565,572	1.50%	10,250,698	2,314,874	8.72%	8.005295%	(67,839)	117,474
2019	2020	12,754,055	1.50%	10,250,698	2,503,357	8.14%	8.005295%	(68,856)	131,545
2020	2021	12,945,366	1.50%	10,250,698	2,694,668	7.64%	8.005295%	(69,889)	145,827
2021	2022	13,139,546	1.50%	10,250,698	2,888,848	7.21%	8.005295%	(70,937)	160,323
2022	2023	13,336,640	1.50%	10,250,698	3,085,942	6.82%	8.005295%	(72,001)	175,037
2023	2024	13,536,689	1.50%	10,250,698	3,285,991	6.48%	8.005295%	(73,081)	189,972
2024	2025	13,739,740	1.50%	10,250,698	3,489,042	6.18%	8.005295%	(74,178)	205,130
2025	2026	13,945,836	1.50%	10,250,698	3,695,138	5.91%	8.005295%	(75,290)	220,516
2026	2027	14,155,023	1.50%	10,250,698	3,904,325	5.66%	8.005295%	(76,420)	236,133
2027	2028	14,367,349	1.50%	10,250,698	4,116,651	5.44%	8.005295%	(77,566)	251,984
2028	2029	14,582,859	1.50%	10,250,698	4,332,161	5.24%	8.005295%	(78,730)	268,073
2029	2030	14,801,602	1.50%	10,250,698	4,550,904	5.05%	8.005295%	(79,910)	284,403

Notes: (1) Adjusts for closure of Walmart in tax year 2014 and allocation to PAL redevelopment agreement payments.

EXHIBIT D-3

Incremental Property Tax Projections – TIF No. 3

Village of East Dundee, Illinois

Projections of TIF Increment - Downtown TIF RDA (TIF No. 3)

(Property Tax Increment Analysis)

Levy <u>Year</u>	Collection <u>Year</u>	Total <u>EAV</u>	% <u>Incr./Decr.</u>	Base <u>EAV</u>	TIF Incremental <u>EAV</u>	% <u>Incr./Decr.</u>	Tax <u>Rate</u>	Adjustment for <u>Reductions (1)</u>	Incremental Property <u>Taxes</u>
2006	2007	N/A	N/A	N/A	N/A	N/A	N/A		N/A
2007	2008	N/A	N/A	N/A	N/A	N/A	N/A		N/A
2008	2009	10,732,395	N/A	10,249,539	482,856	N/A	6.449825%		31,143
2009	2010	10,556,992	-1.63%	10,166,818	390,174	-19.19%	6.677206%		26,053
2010	2011	10,105,172	-4.28%	10,014,328	90,844	-76.72%	7.572211%		6,879
2011	2012	9,896,153	-2.07%	9,622,157	273,996	201.61%	8.005295%		21,934
2012	2013	9,144,052	-5.67%	8,987,944	156,108	-43.03%	8.005295%	(12,497)	0
2013	2014	8,686,849	-5.00%	8,987,944	-301,095	-292.88%	8.005295%	24,104	0
2014	2015	8,686,849	0.00%	8,987,944	-301,095	0.00%	8.005295%	24,104	0
2015	2016	8,817,152	1.50%	8,987,944	-170,792	-43.28%	8.005295%	13,672	0
2016	2017	8,949,409	1.50%	8,987,944	-38,535	-77.44%	8.005295%	3,085	0
2017	2018	9,083,651	1.50%	8,987,944	95,707	-348.37%	8.005295%	(7,662)	0
2018	2019	9,219,905	1.50%	8,987,944	231,961	142.37%	8.005295%	(18,569)	0
2019	2020	9,358,204	1.50%	8,987,944	370,260	59.62%	8.005295%	(29,640)	0
2020	2021	9,498,577	1.50%	8,987,944	510,633	37.91%	8.005295%	(57,903)	40,878
2021	2022	9,641,056	1.50%	8,987,944	653,112	27.90%	8.005295%		52,284
2022	2023	9,785,671	1.50%	8,987,944	797,727	22.14%	8.005295%		63,860
2023	2024	9,932,457	1.50%	8,987,944	944,513	18.40%	8.005295%		75,611
2024	2025	10,081,443	1.50%	8,987,944	1,093,499	15.77%	8.005295%		87,538
2025	2026	10,232,665	1.50%	8,987,944	1,244,721	13.83%	8.005295%		99,644
2026	2027	10,386,155	1.50%	8,987,944	1,398,211	12.33%	8.005295%		111,931
2027	2028	10,541,947	1.50%	8,987,944	1,554,003	11.14%	8.005295%		124,403
2028	2029	10,700,077	1.50%	8,987,944	1,712,133	10.18%	8.005295%		137,061
2029	2030	10,860,578	1.50%	8,987,944	1,872,634	9.37%	8.005295%		149,910
2030	2031	11,023,486	1.50%	8,987,944	2,035,542	8.70%	8.005295%		162,951
2031	2032	11,188,839	1.50%	8,987,944	2,200,895	8.12%	8.005295%		176,188
(61,306)									

Notes: (1) Assumes maximum deposits of \$49,312.5 for 7 Hills Healthcare RDA and \$345,000 applied to Made to Measure, CBJ C, LLC or a total of \$394,312.50

EXHIBIT E

Summary of Projected Incremental Property Tax Revenues

Village of East Dundee, Illinois
Incremental Tax Summary

Includes GAT Guns Project and River Haven Project

Levy	Collection	Incremental Property Taxes (TIF #1)	Incremental Property Taxes (TIF #2)	Incremental Property Taxes (River Haven)	Incremental Property Taxes (TIF #3)	Incremental Property Taxes GAT Guns	Total Incremental Property Tax Revenues
Year	Year						
2011	2012	1,090,989	229,649		21,934		1,342,572
2012	2013	985,024	177,037		0		1,162,060
2013	2014	935,562	127,155	46,715	0	36,166	1,145,598
2014	2015	935,562	63,238	187,794	0	74,985	1,261,579
2015	2016	949,659	76,496	190,616	0	76,513	1,293,284
2016	2017	963,967	89,952	193,480	0	78,065	1,325,464
2017	2018	978,489	103,611	196,386	0	79,640	1,358,126
2018	2019	993,230	117,474	199,337	0	81,238	1,391,279
2019	2020	1,008,191	131,545	202,332	0	82,861	1,424,929
2020	2021	1,023,377	145,827	205,371	40,878	84,508	1,499,961
2021	2022	1,038,791	160,323	208,456	52,284	86,179	1,546,033
2022	2023	1,054,436	175,037	211,588	63,860	87,876	1,592,798
2023	2024	1,070,316	189,972	214,767	75,611	89,598	1,640,264
2024	2025		205,130	217,993	87,538	91,346	602,007
2025	2026		220,516	221,267	99,644	93,120	634,547
2026	2027		236,133	224,591	111,931	94,921	667,576
2027	2028		251,984	227,964	124,403	96,479	700,830
2028	2029		268,073	231,389	137,061	98,604	735,127
2029	2030		284,403	234,864	149,910	100,487	769,664
2030	2031				162,951	102,398	265,349
2031	2032				176,188	104,338	280,526
2032	2033					106,307	106,307
2033	2034					108,306	108,306
2034	2035					110,334	110,334
2035	2036					112,393	112,393