

VILLAGE OF GILBERTS
87 GALLIGAN ROAD,
GILBERTS, ILLINOIS 60136

Committee of the Whole
MEETING AGENDA

Village Hall Board Room
87 Galligan Road, Gilberts, IL.60136
March 13, 2018 - 7:00 P.M.

ORDER OF BUSINESS

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE

2. ROLL CALL / ESTABLISH QUORUM

3. PROCLAMATION

A. A Proclamation Honoring Hampshire High School Wrestler Casey Allen

4. PUBLIC COMMENT

Intended for public comment on issues not otherwise on this agenda, comments being solicited when individual issues are discussed

5. ITEMS FOR DISCUSSION

A. SSA 25 Bond Ordinance (Conservancy Development)

6. STAFF REPORTS

A. February 2018 Treasurer's Report
B. Certificate of Deposit Renewals

7. TRUSTEES' REPORTS

8. PRESIDENT'S REPORT

9. EXECUTIVE SESSION (If necessary)

A portion of the meeting will be closed to the Public, effective immediately as Permitted by 5 ILCS 120/2(c) (1) to discuss the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the Village, and as permitted by 5 ILCS 120/2 (c) (11) to discuss litigation against, affecting, or on behalf of the Village which has been filed and is pending in a court or administrative tribunal of which is imminent and as permitted by 5 ILCS 120/2(c) (21) to review and approve closed session minutes and as permitted by 5 ILCS 120/2 (c) 2 Collective negotiating matters. ₂

10. ADJOURNMENT

Public Comment Policy

Anyone indicating a desire to speak during Public Comments portion of the Village Board Meeting will be acknowledged by the Village President. All remarks are to be addressed to the Village President and Board of Trustees as a whole, not to any specific person(s).

To ensure that everyone who wishes to speak has the opportunity to do so, please limit your comments to five minutes. Additional time may be granted at the discretion of the Village President.

If you have written comments, please provide a copy to the Village President. If there are a number of individuals present to speak on the same topic, please designate a spokesperson that can summarize the issue.

During Public Comments, the Village President, Trustees and Staff will listen to comments and will not engage in discussion. The Village President or Trustees may ask questions to better understand your concern, suggestion or request. Please direct any personnel concerns to the Village Administrator before or after the meeting.

The Village of Gilberts complies with the Americans Disabilities Act (ADA). For accessibility Assistance, please contact the Village Clerk at the Village Hall, telephone number is 847-428-2861". Assistive services will be provided upon request.

Village of Gilberts

PROCLAMATION

**HONORING HAMPSHIRE HIGH SCHOOL
WRESTLER CASEY ALLEN**

March 13, 2018

WHEREAS, Hampshire High School Wrestler Casey Allen qualified and represented Hampshire High School at the Illinois High School Association (IHSA) State Wrestling Championships; and

WHEREAS, Casey Allen had an overall record this season of 44-2 with 30 pins, and went on to take 3rd place in the Class 2A 2018 IHSA State Championships; and

WHEREAS, the Village of Gilberts recognizes the accomplishments of this fine young athlete and honors him for the dedication, discipline, and hard work he has shown to achieve these goals; and

WHEREAS, Head Coach Mitty, Assistant Coach Jenisch have trained, guided, and supported this young man and should also be commended and recognized for their commitment to the Hampshire High School athletes; and

NOW THEREFORE, I, Rick Zirk, President of the Village of Gilberts, hereby extend congratulations to Hampshire High School Wrestler Casey Allen for his wrestling achievements in the last 4 years at Hampshire High School.

Dated and signed at the Village of Gilberts, Kane County, Illinois, this 13th day of March, 2018.

Rick Zirk, Village President

(SEAL)

(ATTEST)

Debra Meadows, Village Clerk

II. Schedule for Bond Ordinance Approval and Bond Closing

Initially, the schedule was to bring the Bond Ordinance to the Village Board for approval by the end of March, with the Bond Closing to take place shortly thereafter. However, in speaking with the Underwriter this week, there are still a number of outstanding issues the Developer must resolve prior to their being able to market and sell the bonds, including the following:

1. Developer's submission of an appraisal
2. Developer's provision of a \$2 million line of credit
3. Home builder commitments (two builders are currently in due diligence periods that do not expire until April and May)

Until these issues are resolved (which may not be until April, at the earliest), the Underwriter has stated that the Bonds will not be sold or marketed because bond purchasers require a certain level of certainty prior to committing to a purchase of more than \$20 million in bonds. So, a March-end Bond Closing is not possible.

I will be at the March 13th meeting to answer questions about the SSA 25 Bond Ordinance and related documents as well as the schedule.

VILLAGE OF GILBERTS

KANE COUNTY

STATE OF ILLINOIS

ORDINANCE NO. ___-2018

AN ORDINANCE PROVIDING FOR ISSUANCE OF
VILLAGE OF GILBERTS, KANE COUNTY, ILLINOIS
SPECIAL SERVICE AREA NUMBER TWENTY-FIVE
SPECIAL TAX BONDS, SERIES 2018
(THE CONSERVANCY PROJECT)

ADOPTED BY THE
PRESIDENT AND BOARD OF TRUSTEES
OF THE
VILLAGE OF GILBERTS
KANE COUNTY
STATE OF ILLINOIS

The __ day of March, 2018

Published in pamphlet form by authority of the President and Board of Trustees of the Village of
Gilberts, Kane County, Illinois this __ day of March, 2018.

ORDINANCE NO. __-2018

**AN ORDINANCE PROVIDING FOR THE ISSUANCE OF
VILLAGE OF GILBERTS, KANE COUNTY, ILLINOIS
SPECIAL SERVICE AREA NUMBER TWENTY-FIVE
SPECIAL TAX BONDS, SERIES 2018
(THE CONSERVANCY PROJECT)**

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF GILBERTS, KANE COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. Findings and Declarations. It is found and declared by the President and Board of Trustees of the Village of Gilberts, Kane County, Illinois (the "Village") as follows:

a. The Village has previously established Special Service Area Number Twenty-Five described more fully in Exhibit A to this Ordinance (the "Special Service Area") pursuant to Ordinance No. 03-2018 adopted on February 27, 2018 (the "Establishing Ordinance"), the provisions of the Special Service Area Tax Law, 35 ILCS 200/27-5 et seq., as amended (the "Special Service Area Act") and the provisions of Section 7 of Article VII of the 1970 Constitution of the State of Illinois, and has otherwise complied with all other conditions precedent required by the Special Service Area Act.

b. The Village previously issued \$9,750,000 aggregate principal amount of its Special Service Area Number Twenty-Four Special Tax Bonds, Series 2014 (The Conservancy Project) (the "Prior Bonds") to refinance bonds issued by the Village for the purpose of providing Special Services to the Special Service Area. A portion of the Prior Bonds were assigned to the Village pursuant to an Assignment Agreement.

c. It is necessary and in the best interests of the Village to provide at this time for (i) the refunding of the Prior Bonds and (ii) the financing of additional special services benefiting the Special Service Area consisting of the acquisition, construction and installation of public improvements including, but not limited to, the expansion of the Village's water treatment plant, construction of new wells, improvements to Freeman Road, and related improvements, and other eligible costs to serve the Special Service Area (the "Special Services"). The Village presently estimates the total cost of the refunding and these Special Services together with costs of borrowing money for that purpose, funding administrative expenses and providing for necessary debt service reserves (collectively, the "Costs of the Refunding and Special Services") to be not greater than \$25,000,000.

d. The Village does not have sufficient funds on hand or available from other sources with which to pay the Costs of the Refunding and Special Services.

e. It is in the best interests of the Village to issue not to exceed \$25,000,000 original principal amount of its Special Service Area Number Twenty-Five Special Tax

Bonds, Series 2018 (The Conservancy Project) (the “Bonds”) as provided in this Ordinance, to pay or provide funds for a portion of the Costs of the Refunding and Special Services.

f. The borrowing of the sum of not to exceed \$25,000,000 and the issuance of the Bonds in that original principal amount are for purposes constituting special services in the Special Service Area under the Special Service Area Act.

g. After due publication of notices as required by the Special Service Area Act, two public hearings were held to consider the establishment of the Special Service Area, the issuance of the Bonds for the purpose of paying the costs of the Special Services and the manner in which the Bonds are proposed to be retired and the proposed tax levy, one such hearing was held on September 12, 2017 to consider the issuance of the bonds and a second hearing was held on December 12, 2017 to consider an extension of the proposed maturity of the Bonds. No objection petition has been filed with respect to the establishment of the Special Service Area or the issuance of the Bonds within the period of time allowed pursuant to the Special Service Area Act.

Section 2. Issuance of Bonds. The Village shall borrow the sum of not to exceed \$25,000,000 by issuing the Bonds as provided in this Ordinance. The Bonds which shall be designated “Village of Gilberts, Kane County, Illinois Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (The Conservancy Project),” and shall be issued for the purpose of providing a portion of the funds needed for the Costs of the Refunding and Special Services. The Bonds shall be issued pursuant to the powers of the Village pursuant to Section 7 of Article VII of the 1970 Constitution of the State of Illinois; the Special Service Area Act; and the Local Government Debt Reform Act, 30 ILCS 350/1 et seq. (the “Debt Act”).

The Village President is hereby authorized and directed to establish the final terms of the Bonds as set forth in the Village’s Bond Order to be executed by the Village President and attested by the Village Clerk (the “Bond Order”), but only within the parameters or on such terms as set forth in Section 4 of this Ordinance and in furtherance of such duty is hereby authorized and directed to execute the Bond Order of behalf of the Village. The Bonds shall be issued in such principal amounts, shall mature on such dates and bear interest at such rates and yields and be subject to redemption as set forth in the Indenture and the Bond Order.

Section 3. Approval of Documents. There have been submitted to the President and Board of Trustees 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, which form of Indenture is attached as Exhibit B to this Ordinance;

b. a form of Bond Purchase Agreement (the “Bond Purchase Agreement”) among the Village, D.A. Davidson & Co., as Underwriter (the “Underwriter”), and Gilberts Development LLC (the “Developer”) 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 C to this Ordinance;

c. a form of Continuing Disclosure Agreement among the Village, the Developer and the Dissemination Agent named therein, which form of Continuing Disclosure Agreement is attached as Exhibit D to this Ordinance;

d. 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 preliminary Limited Offering Memorandum is attached as Exhibit E to this Ordinance; and

e. a form of Public Improvement Agreement between the Village and the Developer, which form of Public Improvement Agreement is attached as Exhibit F to this Ordinance.

Such documents are approved as to form and substance and any one of the Village President, the Village Clerk, the Village Treasurer or the Village Administrator (the “Authorized Officers”) 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 deems appropriate as reflected in the final form to be attached to the Bond Order; 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. Any one of the Village President, Village Clerk, the Village Treasurer or the Village Administrator 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 and Bond Order. The Bonds shall be issued as provided in the Indenture and shall be issued in the original principal amount of not to exceed \$25,000,000, shall be dated, shall mature, may provide for current interest or deferred interest, and for Bonds which are current interest, shall bear interest at the rates (not to exceed in any year seven percent (7%) per annum), shall be subject to redemption at the times and prices as set forth in the Bond Order and the Indenture, and shall be sold to the Underwriter at a purchase price of not less than ninety-eight and one-half percent (98.5%) of the original principal amount of the Bonds, all as set forth in the Bond Order and Bond Purchase Agreement. The Village President and Village Clerk are hereby authorized and directed to execute and attest the Bond Order on behalf of the Village and the execution and delivery of the Bond Order, by the Village President and 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, 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; Levy of Special Tax; Pledge. The Bonds shall constitute limited obligations of the Village, payable from the Special Taxes (as defined below) to be levied on all taxable real property within the Special Service Area as provided below. 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.

There are hereby levied Special Taxes upon all taxable real property within the Special Service Area in accordance with the Special Tax Roll (as defined below) sufficient to pay and discharge the principal of and interest on the Bonds at maturity or mandatory sinking fund redemption dates and to pay interest on the Bonds for each year at the interest rates set forth in Section 2.4 of the Indenture and to pay for the Administrative Expenses (as defined in the Indenture) of the Village and Kane County, if any, for each year including specifically the following amounts for the following years (the “Special Taxes”):

<u>Year of Levy</u>	<u>An Amount Sufficient to Produce the Sum of:</u>	<u>Year of Levy</u>	<u>An Amount Sufficient to Produce the Sum of:</u>
2018	\$0	2033	\$2,202,263
2019	\$0	2034	\$2,235,297
2020	\$1,814,725	2035	\$2,268,827
2021	\$1,841,945	2036	\$2,302,859
2022	\$1,869,575	2037	\$2,337,402
2023	\$1,897,618	2038	\$2,372,463
2024	\$1,926,082	2039	\$2,408,050
2025	\$1,954,974	2040	\$2,444,171
2026	\$1,984,298	2041	\$2,480,833
2027	\$2,014,063	2042	\$2,518,046
2028	\$2,044,274	2043	\$2,555,817
2029	\$2,074,938	2044	\$2,594,154
2030	\$2,106,062	2045	\$2,633,066
2031	\$2,137,653	2046	\$2,672,562
2032	\$2,169,718		

Pursuant to the Special Tax Report, including the Special Tax Roll and the Rate and Method of Apportionment of Special Tax prepared for the Special Service Area (collectively, the “Special Tax Roll and Report”), the Special Taxes shall be computed, extended and collected, and divided among the taxable real property within the Special Service Area in accordance with the terms of the Establishing Ordinance and the Special Tax Roll and Report. It shall be the duty of the Village and the Village hereby covenants, annually on or before the last Tuesday of December for each of the years 2019 through 2046 to calculate or cause the Consultant appointed pursuant to the Indenture to calculate the Special Tax Requirement (as defined in the Indenture); to amend the Special Tax Roll pursuant to Section G. of the Special Tax Roll and Report; to adopt an ordinance approving the amount of the current calendar year’s Special Tax Requirement and to abate the Special Taxes levied pursuant to this Ordinance to the extent the taxes levied pursuant to this Ordinance exceed the Special Tax Requirement as calculated by the Village pursuant to the Establishing Ordinance and the Special Tax Roll and Report; and provide the County tax collector of Kane County the amended Special Tax Roll. On or before the last Tuesday of January for each of the years 2020 through 2047 the Village shall notify the Trustee (as defined in the Indenture) of the amount of the Special Tax Requirement and the amount of the Special Taxes to be abated. The Village shall take all actions which shall be necessary to provide for the levy, extension, collection and application of the taxes levied by this Ordinance, including enforcement, of such taxes as provided by law but only as set forth in Section 7(a) below.

The Special Taxes levied as provided above shall be deposited in the Bond and Interest Fund created pursuant to the Indenture and are appropriated to and are irrevocably pledged to and shall be used only for the purposes set forth in Section 7.1 of the Indenture.

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 within its control 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, Village Clerk, 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 levy, extension, collection and application of the Special Taxes imposed by or pursuant to this Ordinance or the Establishing Ordinance, including enforcement of the Special Taxes by providing the County of Kane with such information as is deemed necessary to enable it to include the property subject to the delinquent tax in the County Collector’s annual tax sale;

b. it will not take any action which would adversely affect the levy, extension, collection and application of the Special Taxes, except to abate the Special Taxes to the extent permitted by the Special Tax Roll and as provided in this Ordinance; and

c. it will comply with all present and future laws concerning the levy, extension and collection of the Special 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 Special Taxes, including without limitation, the enforcement of any delinquent Special Taxes as described in paragraph (a) above. Promptly following the date of issuance of the Bonds and receipt of all amounts owed to the Village pursuant to the Assignment Agreement, the Village shall file with the County an abatement ordinance abating the special taxes levied for the Prior Bonds and terminating Special Service Area Twenty-Four.

Section 8. Additional Authority. The Village President, the Village Clerk, Village Administrator, Finance Director and the other officers of the Village are authorized to execute

and deliver on behalf of the Village such other documents, agreements and certificates, including without limitation, any tax certificates or agreements and escrow agreements, 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. Filing of Ordinance. The Village Clerk is directed to file a certified copy of this Ordinance, and an accurate map of the Special Service Area, with the County Clerk of Kane County.

Section 10. Transfer of Funds. Amounts on deposit in the funds and accounts created for the Prior Bonds may be applied to refund the Prior Bonds or transferred to the funds and accounts created under the Indenture to the extent not needed to redeem the Prior Bonds, as specified in the Bond Order. The Prior Bonds shall be called for redemption in accordance with the Amended and Restated Trust Indenture pursuant to which the Prior Bonds were issued.

Section 11. 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 12. 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 GILBERTS, KANE COUNTY, ILLINOIS this __ day of _____, 2018.

VOTING AYE: _____
VOTING NAY: _____
ABSENT: _____
ABSTAINED: _____

EXHIBIT A

Legal Description of Property

THE CONSERVANCY OVERALL LEGAL DESCRIPTION

PARCEL 1:

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AND THAT PART OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING EASTERLY OF THE RIGHT OF WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY, SAID LINE BEING ALSO THE WESTERLY RIGHT OF WAY LINE OF THE ELGIN AND BELVIDERE ELECTRIC COMPANY, EXCEPTING THEREFROM THAT PART FALLING WITHIN THE PLAT OF THE CONSERVANCY-POD 4 RECORDED MARCH 30, 2007 AS DOCUMENT NO. 2007K035676, IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS.

AND ALSO

THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THAT PART FALLING WITHIN THE PLAT OF THE CONSERVANCY-POD 4 RECORDED MARCH 30, 2007 AS DOCUMENT NO. 2007K035676, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 42, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THAT PART FALLING WITHIN THE PLAT OF THE CONSERVANCY-POD 4 RECORDED MARCH 30, 2007 AS DOCUMENT NO. 2007K035676, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THAT PART FALLING WITHIN THE PLAT OF THE CONSERVANCY-POD 4 RECORDED MARCH 30, 2007 AS DOCUMENT NO. 2007K035676, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE SOUTH HALF OF THE SOUTH HALF OF SECTION 2 AND THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 11, ALL IN TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE NORTH HALF OF THE NORTHEAST QUARTER (EXCEPT THE SOUTH 4 RODS OF THE WEST 3 RODS THEREOF) OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 2, (EXCEPT THE WEST 87 LINKS OF THE NORTHWEST QUARTER OF SAID NORTHWEST FRACTIONAL

QUARTER AND ALSO EXCEPT THAT PART OF SAID NORTHWEST FRACTIONAL LYING NORTHEASTERLY OF THE CENTER LINE OF HUNTLEY ROAD), TOGETHER WITH THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 2, ALL IN TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF A PARCEL OF LAND DESCRIBED BY DEED RECORDED JULY 10, 1868 AS DOCUMENT 2037, SAID POINT BEING 87 LINKS (57.42 FEET) EAST OF THE NORTHWEST CORNER OF SAID NORTHWEST FRACTIONAL SECTION 2; THENCE NORTH 89 DEGREES 51 MINUTES 44 SECONDS EAST ALONG THE NORTH LINE OF SAID NORTHWEST FRACTIONAL QUARTER, A DISTANCE OF 1197.74 FEET TO THE CENTERLINE OF THE HUNTLEY-DUNDEE ROAD 66.00 FOOT WIDE RIGHT-OF-WAY; THENCE SOUTH 50 DEGREES 43 MINUTES 35 SECONDS EAST ALONG SAID CENTERLINE, A DISTANCE OF 1177.09 FEET; THENCE SOUTH 39 DEGREES 16 MINUTES 25 SECONDS WEST PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 1766.01 FEET; THENCE SOUTH 89 DEGREES 51 MINUTES 44 SECONDS WEST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST FRACTIONAL SECTION, A DISTANCE OF 433.74 FEET; THENCE SOUTH 22 DEGREES 20 MINUTES 17 SECONDS EAST, A DISTANCE OF 1978.77 FEET TO A POINT ON THE SOUTH LINE OF NORTH HALF OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2; THENCE SOUTH 89 DEGREES 48 MINUTES 45 SECONDS WEST ALONG SAID SOUTH LINE, A DISTANCE OF 1386.37 FEET TO THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2; THENCE NORTH 00 DEGREES 17 MINUTES 04 SECONDS EAST ALONG SAID WEST LINE, A DISTANCE OF 1320.11 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2; THENCE CONTINUING NORTH 00 DEGREES 17 MINUTES 04 SECONDS EAST ALONG THE WEST LINE OF SAID NORTHWEST FRACTIONAL QUARTER, A DISTANCE OF 1320.42 FEET TO THE SOUTHWEST CORNER OF GOVERNMENT LOT 2, ALSO BEING THE SOUTHWEST CORNER OF LAND DESCRIBED BY SAID DOCUMENT 2037; THENCE NORTH 89 DEGREES 53 MINUTES 23 SECONDS EAST ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 2 A DISTANCE OF 87 LINKS (57.42 FEET); THENCE NORTH 00 DEGREES 17 MINUTES 04 SECONDS EAST ALONG THE EAST LINE OF LAND DESCRIBED BY SAID DOCUMENT 2037, A DISTANCE OF 1304.64 FEET TO THE POINT OF BEGINNING, IN KANE COUNTY, ILLINOIS.

PARCEL 3:

COMMENCING AT A POINT 87 LINKS EAST OF THE NORTHWEST CORNER OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS; THENCE NORTH 89 DEGREES 51 MINUTES 44 SECONDS EAST ALONG THE NORTH LINE OF SAID NORTHWEST FRACTIONAL QUARTER, A DISTANCE OF 1197.74 FEET TO THE CENTERLINE OF THE HUNTLEY-DUNDEE ROAD 66.00 FOOT WIDE RIGHT-OF-WAY; THENCE SOUTH 50 DEGREES 43 MINUTES 35 SECONDS EAST ALONG SAID CENTERLINE, A DISTANCE OF 1177.09 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 39 DEGREES 16 MINUTES 25 SECONDS WEST PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 1766.01 FEET; THENCE SOUTH 89 DEGREES 51 MINUTES 44 SECONDS WEST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST FRACTIONAL SECTION, A DISTANCE OF 433.74 FEET; THENCE SOUTH 22 DEGREES 20 MINUTES 17 SECONDS EAST TO A POINT ON THE HALF SECTION LINE OF SAID SECTION 2; THENCE EAST ALONG SAID EAST-WEST HALF SECTION LINE TO THE CENTER POINT OF SECTION 2; THENCE NORTH ALONG THE NORTH-SOUTH HALF SECTION LINE OF SECTION 2 TO THE CENTERLINE OF SAID HUNTLEY ROAD; THENCE WESTERLY ALONG SAID CENTERLINE TO THE POINT OF BEGINNING, TOWNSHIP OF RUTLAND, COUNTY OF KANE, STATE OF ILLINOIS.

PARCEL 4:

THE NORTH HALF OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 2, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS, EXCEPT THE FOLLOWING DESCRIBED TRACT: BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2; THENCE SOUTH 00 DEGREES 17 MINUTES 04 SECONDS WEST ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2, A DISTANCE OF 1320.11 FEET TO THE SOUTH LINE OF SAID NORTH HALF OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 2; THENCE NORTH 89 DEGREES 48 MINUTES 45 SECONDS EAST ALONG SAID SOUTH LINE A DISTANCE OF 1386.37 FEET; THENCE NORTH 22 DEGREES 20 MINUTES 17 SECONDS WEST TO A POINT ON THE NORTH LINE OF SAID SOUTHWEST QUARTER; THENCE EAST ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER TO THE POINT OF BEGINNING, TOWNSHIP OF RUTLAND, COUNTY OF KANE, STATE OF ILLINOIS.

PARCEL 5:

THE NORTH HALF OF THE EAST HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

CURRENT P.I.N.'S:

02-02-300-002 (PARCEL 1)
02-02-400-002 (PARCEL 1)
02-11-100-010 (PARCEL 1)
02-11-200-001 (PARCEL 1)
02-11-100-003 (PARCEL 1)
02-11-200-007 (PARCEL 1)
02-11-200-005 (PARCEL 1)
02-11-400-005 (PARCEL 1)
02-11-300-008 (PARCEL 1)
02-11-400-003 (PARCEL 1)
02-11-400-004 (PARCEL 1)
02-02-100-008 (PARCEL 2)
02-02-300-004 (PARCEL 2)
02-02-100-007 (PARCEL 3)
02-02-300-003 (PARCEL 4)
02-11-200-003 (PARCEL 5)

PREPARED BY:

MANHARD CONSULTING LTD
700 SPRINGER DRIVE
LOMBARD, ILLINOIS 60148
PHONE: 630-691-8500
PREPARED JULY 6, 2017

TRUST INDENTURE

Between

VILLAGE OF GILBERTS, ILLINOIS

and

AMALGAMATED BANK OF CHICAGO

as Trustee

Dated as of _____ 1, 2018

\$ _____

VILLAGE OF GILBERTS, KANE COUNTY, ILLINOIS
SPECIAL SERVICE AREA NUMBER TWENTY-FIVE
SPECIAL TAX BONDS, SERIES 2018
(THE CONSERVANCY PROJECT)

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TRUST INDENTURE

THIS TRUST INDENTURE (the “Indenture”) is made and entered into as of February 1, 2018, by and between the Village of Gilberts, Illinois, a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of Illinois (the “Village”), and Amalgamated Bank of Chicago, an Illinois banking corporation, as Trustee (the “Trustee”).

WITNESSETH:

WHEREAS, by Ordinance No. ___-2018 adopted on February 27, 2018 (the “Establishing Ordinance”) the Village has established the “Village of Gilberts Special Service Area Number Twenty-Five” as further described in Exhibit A to this Indenture (the “Special Service Area”); and

WHEREAS, pursuant to Ordinance No. 11-2014 adopted on May 20, 2014 (the “Prior Bond Ordinance”) and pursuant to the Special Service Area Tax Law, 35 ILCS 200/27-5 *et seq.* (the “Special Service Area Act”) the Village previously issued original \$9,750,000 original principal amount of Village of Gilberts Special Service Area Number Twenty-Four Special Tax Bonds, Series 2014 (The Conservancy Project) (the “Series 2014 Bonds”) for the purpose of restructuring the Village’s Special Service Area Number Nineteen Special Tax Bonds, Series 2006-1 (The Conservancy Project) (the “Series 2006 Bonds”) which provided a portion of the funds needed for costs of certain of the Special Services provided to the Area (as defined below); and

WHEREAS, pursuant to Ordinance No. ___-2018 adopted on _____, 2018 (the “Bond Ordinance”) and pursuant to the Special Service Area Tax Act, it was determined in the best interests of the Village to issue \$_____ aggregate principal amount of the Village of Gilberts Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (The Conservancy Project) (the “Bonds”) for the purpose of refunding in whole the Series 2014 Bonds and financing the costs of additional Special Services to benefit the Special Service Area (the “Additional Special Services” as defined herein); and

WHEREAS, it is in the public interest and for the benefit of the Village, the Special Service Area and the owners of the Bonds that the Village enter into this Indenture to provide for the issuance of the Bonds in order to refund the Series 2014 Bonds and finance the Additional Special Services, fund certain reserves and provide for costs of issuance of the Series 2018 Bonds and the refunding of the Series 2014 Bonds; and

WHEREAS, all things necessary to cause the Bonds, when executed by the Village and issued as provided in the Special Service Area Act, the Local Government Debt Reform Act (as defined below), the Bond Ordinance and this Indenture, to be legal, valid and binding and special obligations of the Village in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Indenture and the creation, authorization, execution and issuance of the Bonds, subject to the terms of this Indenture, have in all respects been duly authorized;

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the Village in consideration of the premises, the acceptance by the Trustee of the trusts created hereby and the acceptance of the Bonds by the owners thereof, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, and interest on the Bonds according to their tenor and effect, and to secure the performance and observance by the Village of all the covenants expressed or implied herein and in the Bonds, does hereby pledge and assign, and grant a security interest in, the following (the "Trust Estate") to Amalgamated Bank of Chicago, as Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Village hereinafter set forth;

GRANTING CLAUSE FIRST

All right, title and interest of the Village in and to the Special Taxes and any monies held under this Indenture by the Trustee, including the proceeds of the Bonds and the interest, profits and other income derived from the investment thereof other than amounts held by the Trustee in the Administrative Expense Fund and the Rebate Fund;

GRANTING CLAUSE SECOND

All funds, monies, property and security and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds by the Village or by anyone on its behalf or with its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

TO HAVE AND TO HOLD, all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trust herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds from time to time issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds (except as otherwise provided herein);

PROVIDED, HOWEVER, that if the Village, its successors or assigns, shall pay, or cause to be paid, the principal of and interest on the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made on the Bonds as required under this Indenture, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon and shall cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of this Indenture, and shall pay or cause to be paid all sums of money due or to become due in accordance with the terms and provisions

hereof, then upon the final payment thereof, this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests, and amounts hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as herein expressed, and the Village has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective owners of the Bonds as follows:

ARTICLE I STATUTORY AUTHORITY AND DEFINITIONS

Section 1.1 Authority for this Indenture. This Indenture is entered into pursuant to the powers of the Village pursuant to Part 6 of Section 7 of Article VII of the 1970 Constitution of the State of Illinois and pursuant to the respective provisions of the Special Service Area Act, the Local Government Debt Reform Act and the Bond Ordinance.

Section 1.2 Agreement for Benefit of Owners of the Bonds. The provisions, covenants and agreements to be performed by or on behalf of the Village under this Indenture shall be for the equal benefit, protection and security of the Bondholders except as otherwise expressly provided herein. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other of the Bonds, except as expressly provided in or permitted by this Indenture. The Trustee may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not the Trustee.

Section 1.3 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.3 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document mentioned in this Indenture, have the meanings specified below. All references in this Indenture to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision of this Indenture.

“Accreted Value” means: (a) as of any Valuation Date, the amount set forth as the Accreted Value for such date in the Schedule of Accreted Values attached hereto and (b) as of any date other than a Valuation Date, the sum of (i) the Accreted Value on the preceding Valuation Date and (ii) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates; and (c) as of any date of computation on and after the Interest Commencement Date, the Accreted Value on the Interest Commencement Date.

“Additional Special Services” means improvements benefitting the Special Service Area consisting of expansion of the Village’s water treatment plant, construction of new wells, improvements to Freeman Road and related costs.

“Administrative Expenses” means the following actual or reasonably estimated costs permitted in accordance with the Special Service Area Act and directly related to the administration of the Special Service Area and the Bonds as determined by the Village or the Consultant on its behalf: the costs of computing the Special Taxes and of preparing the annual Special Taxes collection schedules; the costs of collecting the Special Taxes (whether by the Village, the County or otherwise), the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee and any fiscal agent (including its legal counsel) in the discharge of the duties required of it under this Indenture or any trustee or fiscal agent agreement; the costs of the Rebate Consultant; the costs of the Village or its designee in complying with disclosure requirements of applicable federal and state securities laws and of the Special Service Area Act, including, but not limited to, public inquiries regarding the Special Taxes; the costs associated with the release of funds from any escrow account; any termination payments owed by the Village in connection with any guaranteed investment contract, forward purchase agreement or other investment of funds held under the Indenture; and amounts advanced by the Village for any other administrative purposes of the Special Service Area, including the costs of prepayment of Special Taxes, recordings related to the prepayment, discharge or satisfaction of Special Taxes; the costs of commencing foreclosure and pursuing collection of delinquent Special Taxes and the reasonable fees of legal counsel to the Village incurred in connection with any of the foregoing.

“Administrative Expense Fund” means the fund by that name established pursuant to Section 7.4 of this Indenture.

“Assignment” means the Assignment Agreement dated as of May 30, 2014, by and among the Village, as assignee, Delaware Bond Trust LLC, as assignor and William Blair & Company, LLC pursuant to which \$1,200,000 principal amount of the Prior Bonds were assigned to the Village.

“Authorized Denomination” or “Authorized Denominations” means denominations of \$100,000 and integral multiples of \$1,000 in excess thereof.

“Authorized Officer” means the Village President, the Village Administrator, the Village Treasurer or any other officer designated as such pursuant to a certificate of the Village President delivered to the Trustee.

“Beneficial Owner” means, when the Bonds are in a book-entry system, any person who acquires a beneficial ownership interest in a Bond held by DTC. For purposes of the Sections of this Indenture requiring notice to or communications with Beneficial Owners, the Trustee, the Bond Registrar and the Village shall be entitled to treat as Beneficial Owners only such persons or entities that provide notice of their beneficial ownership of the Bonds in writing to the Trustee and the Village at least three Business Days prior to the date upon which any notice or communication must be given by the Trustee, the Bond Registrar or the Village under this Indenture. Such notice shall be in form together with evidence of beneficial ownership satisfactory to the Trustee, the Bond Registrar and the Village and shall include the name of the Beneficial Owner, the address of the Beneficial Owner (which shall also include a delivery

address if a post office box is given) and the principal amount of Bonds in which the Beneficial Owner has a beneficial ownership interest. The Trustee, the Bond Registrar and the Village may rely on any notice so given until such time as it is revoked or amended by subsequent written notice to the Trustee and the Village.

“Bond and Interest Fund” means the fund by that name established pursuant to Section 7.1 of this Indenture.

“Bond Registrar” means Amalgamated Bank of Chicago and its successors or assigns. “Bondholder” means the person in whose name such Bond is registered in the bond register maintained by the Bond Registrar.

“Bonds” means the Village’s Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (The Conservancy Project) in the aggregate principal amount of \$_____.

“Business Day” means a day on which banks in Chicago, Illinois are open to transact business.

“Closing Date” means _____, 2018, the date on which the Bonds are issued and exchanged for the Prior Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Consultant” means MuniCap Inc. and its successors and assigns or any other firm selected by the Village to assist it in administering the Special Service Area and the extension and collection of Special Taxes pursuant to the Special Tax Roll and Report.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated the Closing Date between the Village, the Consultant and the Developer dated the Closing Date.

“Corporate Authorities” means the President and Board of Trustees of the Village.

“Costs of Issuance Account” means the account by that name established pursuant to Section 7.3 of this Indenture.

“County” means Kane County, Illinois.

“Debt Service Coverage Requirement” means the percentage derived by dividing (a) the Maximum Special Tax levied for all Parcels in a calendar year by (b) the sum of the Accreted Value of the Bonds plus interest owed on the Bonds plus Administrative Expenses budgeted for such calendar year.

“Defeasance Securities” means any bond or other obligations which, as to both principal and interest, constitute direct obligations of, or the timely payment of which are unconditionally guaranteed by, the United States of America, and any certificates or any other evidences of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this definition.

“Deferred Income Bond” means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semi-annually on March 1 and September 1 of each year.

“Depository Participant” shall have the meaning given that term in Section 2.10 of this Indenture.

“Developer” means Gilberts Development, LLC and its successors and assigns.

“DTC” means The Depository Trust Company, New York, New York.

“Dwelling Units” has the meaning set forth in the Special Tax Report.

“EMMA” means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12.

“Establishing Ordinance” means Ordinance No. 03-2018 adopted on February 27, 2018 by the Corporate Authorities.

“Event of Default” shall have the meaning given that term in Section 9.1 of this Indenture.

“Foreclosure Proceeds” means the proceeds of any redemption or sale of property in the Special Service Area sold as the result of a foreclosure action of the lien of the Special Taxes.

“Government Securities” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of the United States of America and all securities and obligations, the prompt payment of principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America.

“Indenture” means this Trust Indenture dated as of _____, 2018 between the Village and the Trustee, as amended and supplemented from time to time.

“Indirect Participant” shall have the meaning given that term in Section 2.10 of this Indenture.

“Interest Commencement Date” means March 1, 2021, after which interest accruing on the Bonds shall be payable on the interest payment date immediately succeeding such Interest Commencement Date and semi-annually thereafter on March 1 and September 1 of each year.

“Interest Payment Date” means March 1 and September 1 of each year, commencing on September 1, 2021.

“Letter of Representations” means the Blanket Issuer Letter of Representations dated March 13, 2001 from the Village to DTC, as amended from time to time.

“Local Government Debt Reform Act” means the Local Government Debt Reform Act, 30 ILCS §350/1 *et seq.*, as amended.

“Maximum Parcel Special Taxes” shall have the meaning given that term in the Special Tax Roll and Report.

“MSRB” means the Municipal Securities Rulemaking Board and its successors.

“Net Acreage” has the meaning set forth in the Special Tax Report.

“Original Principal Amount” means the amount set forth as the Original Principal Amount for each \$100,000 in Accreted Value of such Bond on its Interest Commencement Date [*times* the number of \$100,000 increments in Accreted Value represented by such Bond].

“Original Special Services” means the improvements benefiting the Special Service Area financed by the Series 2006 Bonds consisting of surveying, engineering, soil testing and appurtenant work, mass grading and demolition, stormwater management facilities, storm drainage systems and storm sewers, site clearing and tree removal, public water facilities, sanitary sewer facilities, erosion control measures, roads, streets, curbs, gutters, street lighting, traffic controls, sidewalks, and related street improvements, and equipment and materials necessary for the maintenance thereof, landscaping, wetland mitigation, public park improvements and tree installation, costs for land and easement acquisitions relating to any of the foregoing improvements, required tap on and related recapture fees for water or sanitary sewer services, and any other eligible costs under the Special Service Area Act.

“Parcel” shall mean each parcel of property within the Special Service Area as described in the Special Tax Roll and Report.

[“Plat of Subdivision” the following: (1) preliminary subdivision plat dated March 9, 2006 entitled the Preliminary Plat of Subdivision of Clublands at Gilberts which was approved by Resolution No. 06-0SR of the Village on April 3, 2006; and (2) the preliminary subdivision plat dated January 9, 2006 entitled the Preliminary Plat of Subdivision of Clublands at Gilberts Casciaro Parcel which was approved by Resolution 06-24R of the Village on December 12, 2006.]

“Prior Bond Ordinance” has the meaning set forth in the recitals of this Indenture.

“Prior Bonds” or “Series 2014 Bonds” means the Village’s Special Service Area Number Twenty-Four Special Tax Bonds Series 2014 (The Conservancy Project) Subseries A and Subseries B.

“Prior Indenture” means the Amended and Restated Trust Indenture dated August 14, 2014 between the Village and Wells Fargo Bank, N.A. as trustee.

“Prior Trustee” means Wells Fargo Bank, N.A.

“Qualified Investments” means, to the extent permitted by then applicable Illinois and Village law, the following:

(a) Government Securities;

(b) bonds, notes, debentures, or other similar obligations of the United States of America or its agencies in the highest general classification established by a rating service of nationally recognized expertise in rating such obligations, including (i) federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C. 2001 *et seq.*); (ii) the federal home loan banks and the federal home loan mortgage corporation; and (iii) any other agency created by Act of Congress;

(c) interest bearing obligations of any county, township, city, village, incorporated town, municipal corporation or school district, which obligations are registered in the name of the Village or held under a custodial agreement at a bank, if such obligations at the time of purchase are in one of the two highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;

(d) interest bearing certificates of deposit, interest bearing savings accounts, interest bearing time deposits, or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act which are insured by the Federal Deposit Insurance Corporation;

(e) repurchase agreements of Government Securities which are subject to the Government Securities Act of 1986. The Government Securities, unless registered or inscribed in the name of the Village, shall be purchased through banks or trust companies authorized to do business in the State of Illinois;

(f) short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase in one of the three highest rating categories by at least two standard rating services and which mature not later than 180 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) no more than one-third of the Village's funds are invested in short-term obligations of such corporation as evidenced by a certificate from an Authorized Officer; and

(g) money market mutual funds registered under the Investment Company Act of 1940 as amended (including those of an affiliate of the Trustee or for which the Trustee or any of its affiliates provides management advisory or other services) invested solely in obligations listed in paragraph (a) and (b) above and in agreements to repurchase such obligations;

together with such other investments as shall from time to time be lawful for the investment of Village funds and shall be approved by the holders of fifty-one percent (51%) of aggregate principal amount of Bonds outstanding; provided that "Qualified Investments" shall not include a financial instrument, commonly known as a "derivative," whose performance is derived, at least in part, from the performance of any underlying asset, including, without limitation, futures, options on securities, options on futures, forward contracts, swap agreements, structured notes and participations in pools of mortgages or other assets.

“Rebate Consultant” means an entity selected by the Village expert in the calculation of rebate amounts pursuant to Section 148 of the Internal Revenue Code of 1986, as amended. If at any time the Rebate Consultant resigns or is removed, and the Village shall not have appointed a successor within 30 days, the Rebate Consultant shall be an entity selected by the Trustee.

“Rebate Fund” means the fund by that name established pursuant to Section 7.5 of this Indenture.

“Rebate Requirement” shall have the meaning given that term in Section 8.1(b) of this Indenture.

“Recapturable Costs” shall have the meaning given that term in the Recapture Ordinances.

“Recapture Ordinances” shall mean Ordinance Nos. 06-59, 06-60, 06-61 and 06-62 of the Village, if in effect, providing for the recapture of certain costs for the benefit of the Area, and any other ordinances enacted by the Village from time to time providing for the recapture of costs for the benefit of the Bonds, as amended, supplemented or replaced from time to time.

“Record Date” means the fifteenth day of the month preceding an Interest Payment Date.

“Reserve Fund” means the fund by that name created pursuant to Section 7.2 of this Indenture.

“Reserve Fund Credit” means the credit to be provided upon the prepayment of the Special Tax equal to 10% of the [Accreted Value] of the Bonds to be redeemed as of the Redemption Date in connection with such prepayment.

“Reserve Requirement” means an amount equal to \$_____, as reduced by the amount of any Reserve Fund Credit pursuant to Section 7.1 hereof.

“Special Redemption Account” means the account by that name established within the Bond and Interest Fund pursuant to Section 7.1 of this Indenture.

“Special Service Area” means Village of Gilberts Special Service Area Number Twenty-Five, described more fully in Exhibit A to this Indenture.

“Special Service Area Act” means the Special Service Area Tax Law, 35 ILCS §200/27-5 *et seq.*, as amended.

“Special Services” means the Original Special Services and the Additional Special Services.

“Special Taxes” means the taxes levied by the Village on all taxable real property within the Special Service Area pursuant to the Special Tax Roll and this Indenture.

“Special Tax Roll” means the special tax roll for the payment of the Bonds established and amended from time to time pursuant to the Special Tax Roll and Report.

“Special Tax Roll and Report” or “Special Tax Report” means collectively the Village of Gilberts Special Service Area Number 25 Kane County, Illinois Special Tax Report dated February 26, 2018 and the Rate and Method of Apportionment of Special Tax prepared by the Consultant.

“Supplemental Indenture” means an indenture adopted by the Corporate Authorities of the Village as provided in Article XI hereof which amends or supplements this Indenture.

“Tax Agreement” or “Tax Agreements” means the Tax Compliance Certificate and Agreement of the Village dated the date of issuance and delivery of the Bonds, as amended from time to time.

[“Title Company” means Chicago Title Insurance Company and its successors or assigns.]

“Trust Estate” means the property conveyed to the Trustee pursuant to the Granting Clauses of this Indenture.

“Trustee” means Amalgamated Bank of Chicago, Chicago, Illinois and its successors and assigns.

“Valuation Date” means the date or dates prior to and including the Interest Commencement Date reflected on the Schedule of Accreted Values attached hereto as Schedule I on which specific Accreted Values are assigned.

“Village” means the Village of Gilberts, Kane County, Illinois.

ARTICLE II BOND DETAILS

Section 2.1 Purpose of Issuance; Amount of Bonds. The sum of \$_____ shall be borrowed by the Village pursuant to the Special Service Area Act and the Local Government Debt Reform Act for the purpose of (i) financing the Additional Special Services and (ii) refinancing the Series 2014 Bonds (which Series 2014 Bonds were issued to restructure the Series 2006 Bonds which financed a portion of the costs of the Original Special Services). In evidence of such borrowing, Bonds in the aggregate principal amount of \$_____ shall be issued as provided in this Indenture.

Section 2.2 Form; Denominations; Numbers. The Bonds shall be issued as Deferred Income Bonds in fully registered form in the Authorized Denominations. The Bonds shall be designated “Village of Gilberts Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (The Conservancy Project)” and shall be numbered consecutively from R-1 and upward but need not be authenticated or delivered in consecutive order. The Bonds shall appreciate in value from the date on which the Bonds are first issued to the Interest Commencement Date.

Section 2.3 Date of Bonds; CUSIP Identification Numbers. The Bonds shall be dated as of the date of delivery of the Bonds to the Beneficial Owners upon original issuance. CUSIP

identification numbers shall be imprinted on the Bonds, provided that any failure on the part of the Village or the Trustee to use such CUSIP numbers in any notice to any Bondholders shall not constitute an Event of Default or any violation of the Village’s contract with such Bondholders and shall not impair the effectiveness of such notice.

Section 2.4 Maturities and Interest Rates. The Bonds shall mature and become payable on March 1 of the years and in the Accreted Values and shall be issued in the Original Principal Amounts with the approximate yields to maturity set forth below (it being understood that the approximate yields set forth below are for illustration purposes only and that all amounts due on the Bonds are based on the definitions of Accreted Value set forth in the Definitions):

<u>Maturity Date</u> <u>(March 1)</u>	<u>Original Principal</u> <u>Amount</u>	<u>Interest Rate*</u>	<u>Price per \$100,000 in</u> <u>Accreted Value</u>
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			

* Payable beginning on Interest Commencement Date.

Section 2.5 Interest. The Bonds shall bear interest at the rate set forth in Section 2.4 accruing from the Interest Commencement Date to maturity and payable on the Interest Payment Dates with the first Interest Payment Date being September 1, 2021, except that Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the rates in Section 2.4 hereof, from the most recent Interest Payment Date for which interest has been paid or duly

provided for, or if no interest has been paid, from the Valuation Date. Interest on the Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

Section 2.6 Form of Bonds; Execution; Authentication. The Bonds shall be in substantially the form set forth in Exhibit B to this Indenture. Each Bond shall be executed by the manual or facsimile signature of the 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 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 Exhibit B to this Indenture shall have been duly executed by the Trustee appointed by this Indenture as authenticating agent of the Village. Execution of that certificate upon any Bond shall be conclusive evidence that the Bond has been authenticated and delivered under this Indenture.

Section 2.7 Payment of the Bonds. The Bonds shall be payable in lawful money of the United States at the office of the Trustee. The principal of each Bond shall be payable at maturity upon presentment of the Bond at the office of the Trustee. Interest on each Bond shall be payable on each Interest Payment Date by check or draft of the Trustee mailed to the person in whose name that Bond is registered on the books of the Bond Registrar at the close of business on the Record Date. During such time as the Bonds are registered so as to participate in a securities depository system with DTC, principal of and interest on each Bond shall be payable by wire transfer pursuant to instructions from DTC.

Section 2.8 Appointment of Trustee and Bond Registrar. Amalgamated Bank of Chicago is appointed Trustee and Bond Registrar for the Bonds.

Section 2.9 Registration of Bonds; Persons Treated as Owners. The Bonds shall be negotiable, subject to the following provisions for registration and registration of transfer. The Village shall maintain books for the registration of the Bonds at the office of the Bond Registrar. Each Bond shall be fully registered on those books in the name of its owner, as to both principal and interest. Transfer of each Bond shall be registered only on those books upon surrender of that Bond to the Bond Registrar by the registered owner or his or her attorney duly authorized in writing together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney. Upon surrender of a Bond for registration of transfer, the Village shall execute, the Trustee shall authenticate, and the Bond Registrar shall deliver, in the name of the transferee, one or more new Bonds of the same aggregate principal amount, subseries and of the same maturity as the Bond surrendered.

Bonds may be exchanged, at the option of the registered owner, for an equal aggregate principal amount of Bonds of the same maturity and the same subseries of any other Authorized Denominations, upon surrender of those Bonds at the office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Village shall execute, the Trustee shall authenticate, and the Bond Registrar shall deliver, Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any exchange or transfer shall be canceled immediately by the Bond Registrar.

For every exchange or registration of transfer of Bonds, the Village or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the Village, required to be paid with respect to that exchange or registration of transfer, and payment of that charge by the person requesting exchange or registration of transfer shall be a condition precedent to that exchange or registration of transfer. No other charge may be made by the Village or the Bond Registrar as a condition precedent to exchange or registration of transfer of any Bond.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond following the close of business on the 15th day of the month 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 15 days next preceding mailing of a notice of redemption of any Bonds.

The Village, the Trustee and the Bond Registrar may treat the registered owner of any Bond as its absolute owner, whether or not that Bond is overdue, for the purpose of receiving payment of the principal of or interest on that Bond and for all other purposes, and neither the Village, the Bond Registrar nor the Trustee shall be affected by any notice to the contrary. Payment of the principal of and interest on each Bond shall be made only to its registered owner, and all such payments shall be valid and effective to satisfy the obligation of the Village on that Bond to the extent of the amount paid.

Section 2.10 Global Form: Securities Depository. It is intended that the Bonds be registered so as to participate in a securities depository system with DTC, as set forth herein. The Bonds shall be initially issued in the form of a single fully registered Bond for each of the subseries and maturities as established in Section 2.4 of this Indenture. Upon initial issuance, the ownership of the Bonds shall be registered in the name of Cede & Co., or any successor thereto, as nominee for DTC. The Village and the Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the securities depository system of DTC, including the Letter of Representations. With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Village, the Bond Registrar and the Trustee shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC 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 (each such person being herein referred to as an “Indirect Participant “Without limiting the preceding

sentence, the Village, the Bond Registrar and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to the ownership interest in the Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a Bond, of any notice with respect to the Bonds, including any notice of redemption or (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Bond, of any amount with respect to principal of or interest on the Bonds. While in the securities depository system of DTC, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond certificate with respect to any Bond. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Indenture with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Bonds at the close of business on the record date applicable to any interest payment date, the name "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

In the event that (a) the Trustee determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representations, (b) the Letter of Representations 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 DTC of the availability through DTC of Bond certificates and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Village may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Village or such depository's agent or designee, and if the Village does not select such alternate securities depository 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 provisions of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on the Bonds and all notices with respect to the series shall be made and given, respectively, in the manner provided in the Letter of Representations.

Section 2.11 Certain Provisions Relating to Deferred Income Bonds. For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed, or (ii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Village or the Trustee any notice, consent, request, or demand pursuant hereto for any purpose whatsoever, the then current Accreted Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision hereof, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond shall not exceed the Accreted Value thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due and the principal of such Bond on the date such Deferred Income Bonds were first issued shall be deemed not to be accrued and unpaid interest thereon.

ARTICLE III
CONDITIONS TO ISSUANCE OF BONDS; NO ADDITIONAL BONDS

Section 3.1 Conditions to Issuance. Simultaneously with the issuance of the Bonds the Trustee shall have received the following: (1) an opinion of bond counsel to the Village as to the due authorization, execution and delivery of the Bonds, the validity of the Bonds under State law and the exclusion from gross income of interest on the Bonds for federal income tax purposes, (2) evidence of the payment to the Village, of all amounts owed to the Village pursuant to the Assignment.

Section 3.2 No Additional Bonds. The Village may not issue additional bonds under this Indenture other than refunding bonds the proceeds of which are applied to redeem the Bonds.

ARTICLE IV
REDEMPTION OF BONDS

Section 4.1 Optional Redemption. The Bonds are subject to optional redemption prior to maturity on or after March 1, 2027 at a redemption price equal to 100% of the Accreted Value of the Bonds to be redeemed plus accrued but unpaid interest to the redemption date. Any optional redemption of Bonds shall be applied to the extent possible to reduce the amount of Bonds to be redeemed by mandatory sinking fund redemption pursuant to Section 4.4 of this Indenture in order of mandatory sinking fund redemption dates (earliest dates first).

Section 4.2 Mandatory Redemption Upon Condemnation or Change in Density.

(a) The Bonds are subject to mandatory redemption on any date, in part, at a redemption price equal to the Accreted Value of Bonds to be redeemed, together with accrued but unpaid interest to the date fixed for redemption, without premium, from amounts in the Special Redemption Account consisting of the proceeds received by the Village in connection with a condemnation of any of the Special Services or any other property dedicated to, or owned by, the Village within the Special Service Area and allocable to the Bonds as determined by the Consultant and which proceeds are not used by the Village to rebuild the Special Services.

(b) The Bonds are subject to mandatory redemption on each March 1, June 1, September 1 and December 1, in whole or in part, at a redemption price equal to the Accreted Value of Bonds to be redeemed, together with accrued but unpaid interest to the date fixed for redemption, without premium, in connection with any mandatory prepayment of the Special Tax upon any event that reduces the total of the Maximum Parcel Special Tax on all of the Parcels (including any reductions due to the number of Dwelling Units or Net Acreage to an amount less than the Maximum Special Tax) all as described in, and in the amounts set forth in, Section N of the Special Tax Roll and Report.

Without further notice or direction, the Trustee shall determine the amounts on deposit in the Special Redemption Account on the first Business Day of each February, May, August and November and effect a redemption of the Bonds pursuant to this Section 4.2 and Section 7.1(d).

Any mandatory redemption of Bonds pursuant to this Section shall be applied to the extent possible to reduce the amount of Bonds to be redeemed by mandatory sinking fund redemption pursuant to Section 4.4 of this Indenture in order of mandatory sinking fund redemption dates (earliest dates first).

Section 4.3 Special Mandatory Redemption from Recapture and Optional Prepayment of Special Taxes and on Completion Date.

(a) The Bonds are subject to mandatory redemption upon the optional prepayment of the Special Taxes on each March 1, June 1, September 1 and December 1, in part, from amounts available for disbursement from the Special Redemption Account pursuant to Section 7.1(d), at a redemption price (expressed as a percentage of the Accreted Value) of the Bonds to be redeemed as follows, together with accrued but unpaid interest on such Bonds to the date fixed for redemption:

Prior to March 1, 2025	103%
March 1, 2025 through and including February 28, 2026	102%
March 1, 2026 through and including February 28, 2027	101%
March 1, 2027 and thereafter	100%

(b) The Bonds are subject to mandatory redemption on each March 1, June 1, September 1 and December 1, in part, from Recapturable Costs received by the Trustee pursuant to the Recapture Ordinances and on deposit in the Special Redemption Account of the Bond and Interest Fund pursuant to Section 7.1(d), at a redemption price of 100% of the Accreted Value of the Bonds to be redeemed, together with accrued but unpaid interest on such Bonds to the date fixed for redemption.

(c) The Bonds are subject to mandatory redemption on or after the Completion Date, in part, from proceeds transferred from the Improvement Fund to the Special Redemption Account pursuant to Sections 7.3 hereof, at a redemption price of 100% of the Accreted Value of the Bonds to be redeemed together with accrued interest on such Bonds to the redemption date.

(d) In connection with a reduction in debt service due on the Bonds resulting from or related to any redemption from optional prepayments of the Special Tax pursuant to Sections L or M of the Special Tax Roll and Report, the Special Tax Roll shall be amended by the Village and the Maximum Special Tax shall be reduced by the Village such that the maximum Special Tax that may be collected from all Parcels is equal to a minimum Debt Service Coverage Requirement of 110%.

(e) Without further notice or direction, the Trustee shall determine the amounts on deposit in the Special Redemption Account on the first Business Day of each February, May, August and November and effect a redemption of the Bonds pursuant to Section 4.3 and Sections 7.1(d) and 7.2 and shall provide notice as set forth in Section 4.5 of this Indenture.

Any mandatory redemption of Bonds pursuant to this Section shall be applied to the extent possible to reduce the amount of Bonds to be redeemed by mandatory sinking fund

redemption pursuant to Section 4.4 of this Indenture in order of mandatory sinking fund redemption dates (earliest dates first).

Section 4.4 Mandatory Sinking Fund Redemption.

(a) The Bonds maturing on March 1, ____ are subject to mandatory sinking fund redemption and final payment at maturity in part on March 1 at a price equal to their Accreted Value plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
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The Village covenants that it will redeem the Bonds pursuant to the mandatory sinking fund redemption requirements for the Bonds to the extent amounts are on deposit in the Bond and Interest Fund. If the full amount of the sinking fund requirement as set forth in the charts above are not on deposit in the Bond and Interest Fund on the date set forth above, the Bonds shall only be redeemed in an amount equal to the amount on deposit in the Bond and Interest Fund on such date with the remaining amounts to be redeemed once moneys are on deposit in the Bond and Interest Fund. Proper provision for mandatory redemption having been made, the Village covenants that the Bonds so selected for redemption shall be payable upon redemption and taxes have been levied and will be collected as provided herein and in the Bond Ordinance for such purposes.

Section 4.5 Redemption Provisions; Notice of Redemption. If less than all the Bonds of any maturity are to be redeemed on any redemption date, the Bond Registrar appointed in this Indenture shall assign to each Bond of the maturity to be redeemed a distinctive number for each \$1,000 of principal amount of that Bond. The Bond Registrar shall then select the Bonds for redemption by lot provided that following any redemption, no Bond shall be outstanding in an amount less than the minimum Authorized Denomination.

Notice of the redemption of any Bonds, which by their terms shall have become subject to redemption, shall be given to the registered owner of each Bond or portion of a Bond called for redemption not less than 20 or more than 60 days before any date established for redemption of Bonds, by the Bond Registrar, on behalf of the Village, by first class mail or overnight courier delivery sent to the registered owner's last address, if any, appearing on the registration books kept by the Bond Registrar. All notices of redemption shall include at least the designation, date and maturities of Bonds called for redemption, CUSIP Numbers, if available, and the date of redemption. In the case of a Bond to be redeemed in part only, the notice shall also specify the portion of the principal amount of the Bond to be redeemed. The mailing of the notice specified

above to the registered owner of any Bond shall be a condition precedent to the redemption of that Bond, provided that any notice which is mailed in accordance with this Indenture shall be conclusively presumed to have been duly given whether or not the owner received the notice. The failure to mail notice to the owner of any Bond, or any defect in that notice, shall not affect the validity of the redemption of any other Bond for which notice was properly given.

Section 4.6 Purchase in Lieu of Redemption. In lieu of redemption as provided in this Article IV, moneys in the Bond and Interest Fund may be used and withdrawn by the Village for the purchase of outstanding Bonds, at public or private sale as and when, and at such prices (including brokerage and other charges) as the Village may provide, but in no event may Bonds be purchased at a price in excess of the Accreted Value of such Bonds plus interest accrued to the date of purchase.

ARTICLE V APPLICATION OF BOND PROCEEDS

Section 5.1 Application of Proceeds. Proceeds received from the sale of the Bonds net of underwriter's discount in the amount of \$_____ shall be applied as follows:

(a) \$_____ shall be deposited to the Bond and Interest Fund for the Prior Bonds and applied to refund the Prior Bonds by the Prior Trustee, including payment to the Village of amounts owed pursuant to the Assignment;

(b) \$_____ shall be deposited to the Improvement Fund to pay costs of Additional Special Services;

(c) \$_____ shall be deposited to the Reserve Fund created for the Bonds;

(d) \$_____ shall be deposited to the Administrative Expense Fund;

(e) \$_____ shall be deposited to the Costs of Issuance Account created hereunder for the Bonds and applied to pay costs of issuance of the Bonds.

[Pursuant to a written direction delivered by the Village to the Prior Trustee, proceeds on deposit in the funds and accounts held under the Prior Indenture shall be transferred to the Bond and Interest Fund for the Prior Bonds.]

All amounts transferred to the funds and accounts created under this Indenture, together with all interest and other investment earnings on those amounts, are appropriated and set aside for the purposes for which the Bonds are being issued as set forth in this Indenture.

ARTICLE VI SECURITY FOR THE BONDS

Section 6.1 Limited Obligations. The Bonds shall constitute limited obligations of the Village, payable solely from the Special Taxes and other moneys deposited in the Funds and Accounts established pursuant to Article VII other than the Administrative Expense Fund and the Rebate Fund. The Bonds shall not constitute 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.

Section 6.2 Levy of Special Taxes.

(a) Pursuant to the Bond Ordinance there have been levied Special Taxes upon all taxable real property within the Special Service Area subject to the Special Taxes sufficient to pay and discharge the Accreted Value of the Bonds at maturity, to pay interest on the Bonds on each Interest Payment Date at the interest rates set forth in Section 2.4 of this Indenture, to fund the Reserve Fund over time and to pay the estimated Administrative Expenses of the Village for each year.

(b) The Village Clerk has been directed to file a certified copy of the Bond Ordinance, and an accurate map of the Special Service Area, with the County Clerk of the County of Kane. The Special Taxes shall be computed, extended and collected in accordance with the Special Tax Roll, and divided among all taxable real property within the Special Service Area in accordance with the terms of the Establishing Ordinance and the Special Tax Roll and Report. It shall be the duty of the Village and the Village hereby covenants, annually on or before the last Tuesday of December for each of the years 2018 through 2046 to calculate or cause the Consultant to calculate the Special Tax Requirement; to amend the Special Tax Roll pursuant to the Special Tax Roll and Report and provide the County tax collector with the amended Special Tax Roll; to adopt an ordinance approving the amount of the current calendar year's Special Tax Requirement and abating the Special Taxes levied pursuant to the Bond Ordinance to the extent the taxes levied pursuant to the Bond Ordinance exceed the Special Tax Requirement as calculated by the Village pursuant to the Establishing Ordinance and the Special Tax Roll and Report. On or before the last Tuesday of January for each of the years 2019 through 2047 the Consultant shall notify in writing the Village and the Trustee of the amount of the Special Tax Requirement and the amount of the Special Taxes to be abated. The Village shall take all actions which shall be necessary to provide for the levy, extension, collection and application of the taxes to be levied pursuant to the Bond Ordinance by providing the County with such information as is deemed necessary to enable the County to include any property subject to delinquent Special Taxes in the County Collector's annual tax sale.

The Village covenants that to the extent necessary to enforce a prepayment it will adopt a supplemental levy ordinance in the event of a mandatory prepayment of the Special Taxes pursuant to the Special Tax Roll and Report caused by an amendment to the Preliminary Plat or any other event which reduces the Maximum Parcel Special Taxes as described in the Special Tax Roll and Report or a change in the expected number of Dwelling Units or Net Acreage as set forth in the final plat or plats of subdivision approved by the Village, to the extent that the mandatory prepayment amount calculated pursuant to the terms of the Special Tax Roll and Report exceeds the Special Taxes levied for the year in which the prepayment is due pursuant to the Bond Ordinance.

(c) Upon receipt by the Trustee of any prepayment of Special Taxes in an amount calculated and verified by the Consultant as being required pursuant to the Special Tax Roll and Report to satisfy the lien on a Parcel within the Special Service Area, the Village and the Trustee shall execute a Satisfaction of Tax Lien substantially in the form of Exhibit C hereto,

appropriately completed and the Trustee shall deliver the Satisfaction of Tax Lien to the Title Company for filing with the Recorder of Deeds of Kane County, Illinois. The Village shall deliver a copy of each such Satisfaction of Tax Lien to the property owner of record.

ARTICLE VII FUNDS AND ACCOUNTS

Section 7.1 Bond and Interest Fund.

(a) There is hereby created and established with the Trustee a separate and special fund of the Village established exclusively for paying principal of and interest on the Bonds and which shall be designated as “The Special Service Area Number Twenty-Five Special Tax, Bond and Interest Fund” (the “Bond and Interest Fund”). When received from the County, the Special Taxes, any auction proceeds received from the County and the Foreclosure Proceeds, including any interest and penalties collected by the Trustee in connection with such Special Taxes, auction proceeds or Foreclosure Proceeds, shall be placed in the Bond and Interest Fund. The Consultant shall advise the Trustee in writing of the source of funds received by the Trustee. Moneys deposited in the Bond and Interest Fund and investments of the Bond and Interest Fund shall never be commingled with or loaned to any other funds of the Village. All interest and other investment earnings on the Bond and Interest Fund shall become, when received, a part of the Bond and Interest Fund.

(b) Amounts deposited in the Bond and Interest Fund are appropriated for and irrevocably pledged to, and shall be used solely for the purpose of, paying the principal of and interest on the Bonds, or for transfers to the Administrative Expense Fund and the Reserve Fund as permitted by paragraph (c) of this Section 7.1 and by Sections 7.2 and 7.4.

(c) At any time after September 1 but in no event later than December 1 of each year, the Trustee shall determine the amount needed to pay principal of and interest on the Bonds on the next succeeding Interest Payment Date. After the Trustee has determined that sufficient amounts are on deposit in the Bond and Interest Fund to pay principal of and interest on the Bonds on the next succeeding Interest Payment Date, the Trustee shall notify the Village and the Consultant of any excess amounts on deposit in the Bond and Interest Fund, and, at the written direction of the Village, shall transfer an amount from the Bond and Interest Fund to the Administrative Expense Fund which the Village has determined will be adequate, together with other amounts in the Administrative Expense Fund or reasonably expected to be transferred to or deposited in such Fund, to pay all Administrative Expenses during the succeeding calendar year. After making such transfer to the Administrative Expense Fund any excess amounts on deposit in the Bond and Interest Fund shall be transferred to the Reserve Fund to the extent necessary to replenish the Reserve Fund to the Reserve Requirement and thereafter any remaining excess shall be retained in the Bond and Interest Fund and applied to pay principal of an interest next coming due on the Bonds; provided however that investment earnings on amounts on deposit in the Bond and Interest Fund on or prior to completion of the Additional Special Services shall be transferred to the Improvement Fund and thereafter retained in the Bond and Interest Fund.

(d) There is hereby created within the Bond and Interest Fund established with the Trustee a separate account designated the “Special Redemption Account” and within such Account three Subaccounts designated “Special Redemption Account – General

Subaccount”, “Special Redemption Account – Recapture Subaccount” and “Special Redemption Account – Prepayment Subaccount.” The Village covenants that in the event it receives proceeds of any condemnation of the Special Services which are not used to rebuild the Special Services it will deposit such amounts in the Special Redemption Account – General Subaccount. In addition, all Recapturable Costs received by the Trustee pursuant to the Recapture Ordinances shall be deposited in the Special Redemption Account – Recapture Subaccount and all prepayments of the Special Taxes made in accordance with the Special Tax Roll and Report shall be deposited in the Special Redemption Account – Prepayment Subaccount. In the event of any optional prepayment of Special Tax, prior to giving notice of redemption of the Bonds in accordance with Section 4.5 of this Indenture, the Trustee shall transfer from the Reserve Fund to the Special Redemption Account – Prepayment Subaccount an amount equal to the Reserve Fund Credit as determined by and upon the direction of the Consultant. Moneys in the Special Redemption Account shall be used exclusively to redeem Bonds pursuant to Sections 4.2 and 4.3, as applicable, or to pay debt service on the Bonds pursuant to this Section 7.1. When the amount on deposit in the Special Redemption Account equals or exceeds an amount sufficient to redeem at least \$1,000 of Bonds (including accrued interest due thereon), such amount shall be used to redeem the Bonds on the next March 1, June 1, September 1 or December 1 in accordance with Sections 4.2 and 4.3. On each such March 1, June 1, September 1 or December 1, the Trustee shall withdraw from the Special Redemption Account and pay to the owners of the Bonds the amounts to redeem the Bonds (including accrued interest due thereon) pursuant to Section 4.2 and Section 4.3. Notwithstanding the foregoing, any amounts which are less than the amount necessary to redeem \$1,000 of Bonds plus accrued interest contained in the Special Redemption Account for a continuous period of thirty (30) months and which will not be used to redeem the Bonds on the next March 1, June 1, September 1 or December 1 in accordance with the immediately preceding sentence and Section 4.2 or 4.3 shall be used to pay debt service on the Bonds on the next Interest Payment Date. Any amounts contained in the Special Redemption Account on the final maturity date of the Bonds shall be used to pay outstanding debt service on the Bonds.

Section 7.2 Reserve Fund. There is hereby created and established with the Trustee a separate and special fund of the Village which shall be designated as “The Special Service Area Number Twenty-Five Special Tax Bonds, Reserve Fund” (the “Reserve Fund”), into which there shall initially be deposited the amount set forth in Section 5.1(a) hereof. The Reserve Fund shall be maintained from funds made available under this Indenture in an amount equal to the Reserve Requirement. Amounts deposited in the Reserve Fund shall be used solely for the following purposes in the listed order of priority: (i) making transfers to the Bond and Interest Fund to pay the principal of, including mandatory sinking fund payments, and interest on all Bonds when due, in the event that moneys in the Bond and Interest Fund are insufficient therefor, (ii) making any transfers to the Bond and Interest Fund if the balance in the Reserve Fund exceeds the amount required to redeem all Bonds then outstanding, (iii) making transfers to the Special Redemption Account – Prepayment Subaccount in an amount equal to the Reserve Fund Credit pursuant to Section 7.1(d) hereof, or (iv) if the amount then on deposit in the Reserve Fund is at least equal to the Reserve Requirement, for transfer in accordance with the next paragraph.

On the Business Day prior to each Interest payment Date, moneys in the Reserve Fund in excess of the Reserve Requirement shall be transferred to the Improvement Fund on or prior to

the completion of the Additional Special Services and thereafter to the Bond and Interest Fund to be used to pay interest on the Bonds.

Section 7.3 Improvement Fund and Costs of Issuance Account. There is hereby created and established with the Trustee a separate and special fund of the Village which shall be designated as “The Special Service Area Number Twenty-Five Special Tax Bonds, Improvement Fund” (the “Improvement Fund”). Moneys in the Improvement Fund shall be disbursed solely for the payment of the cost of acquiring, constructing and installing the Additional Special Services. Disbursements from the Improvement Fund shall be made by the Trustee upon receipt of a Disbursement Request of the Village substantially in the form attached as Exhibit D to this Indenture executed by an Authorized Officer which shall (i) set forth the amount required to be disbursed, the purpose for which the disbursement is to be made, state that such Special Services or portions thereof have been completed in accordance with the terms of the [_____ Agreement, state that the disbursement is for the payment of a Special Service, and include payment instructions to the Trustee for the amount to be disbursed (which may provide for payment by the Trustee to a title company in the event a construction escrow is utilized); and (ii) certify that no portion of the amount then being requested to be disbursed was set forth in any previous request for disbursement. A copy of each Disbursement Request shall be delivered by the Trustee to the Consultant.

On the date on which a certificate of an Authorized Officer of the Village is delivered to the Trustee certifying that the Additional Special Services have been completed (the “Completion Date”), the Trustee shall transfer all amounts remaining in the Improvement Fund to the Special Redemption Account to be applied to the redemption of the Bonds pursuant to Section 4.3(c) hereof provided, however, that any amounts transferred to be applied to the redemption of Bonds which do not equal \$1,000 or an integral multiple of \$1,000 shall be transferred to the Bond and Interest Fund and applied to pay interest owing on the Bonds on the next succeeding Interest Payment Date. All investment earnings on amounts on deposit in the Improvement Fund prior to the Completion Date shall be retained therein to pay the costs of the Special Services.

There is hereby created with the Trustee a separate account within the Improvement Fund designated the “Costs of Issuance Account.” Amounts deposited in the Costs of Issuance Account shall be used solely for the purpose of paying costs incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds. Disbursements from the Costs of Issuance Account shall be made by the Trustee upon receipt of a written request in substantially the form of Exhibit D hereto of the Village which shall (i) set forth the amount required to be disbursed, the purpose for which the disbursement is to be made, that the disbursement is a proper expenditure from the Costs of Issuance Account, and payment instructions to the Trustee for the amount to be reimbursed; and (ii) certify that no portion of the amount then being requested to be disbursed was set forth in any previous request for disbursement. On the date which is six (6) months after the date of issuance of the Bonds, the Trustee shall transfer all amounts remaining in the Costs of Issuance Account to the Bond and Interest Fund.

Section 7.4 Administrative Expense Fund. There is hereby created and established with the Trustee a separate and special fund of the Village which shall be designated as “The Special Service Area Number Twenty-Five Special Tax Bonds, Administrative Expense Fund”

(the “Administrative Expense Fund”). Amounts transferred to the Administrative Expense Fund from the Bond and Interest Fund as provided in Section 7.1(c) hereof shall be withdrawn by the Trustee and paid to the Village or its order upon receipt by the Trustee of a written request from an Authorized Officer stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense, and the nature of such Administrative Expense. After payment of all Administrative Expenses due in any calendar year, any excess amounts on deposit in the Administrative Expense Fund shall be transferred to the Bond and Interest Fund upon written direction of the Village.

Section 7.5 Rebate Fund. There is hereby created and established with the Trustee a separate and special fund of the Village which shall be designated as “The Special Service Area Number Twenty-Five Special Tax Bonds, Rebate Fund” (the “Rebate Fund”), into which there shall be deposited as necessary investment earnings in the Bond and Interest Fund to the extent required so as to maintain the tax-exempt status of interest on the Bonds. All rebates, special impositions or taxes for such purpose payable to the United States of America (Internal Revenue Service) shall be payable from the Rebate Fund.

Section 7.6 Investment of Funds. Moneys on deposit in Funds and Accounts established hereunder may be invested from time to time in Qualified Investments pursuant to directions from the Village to the Trustee provided that moneys on deposit in the Special Redemption Account shall be invested in Qualified Investments having a maturity of 180 days or less. Except as otherwise expressly provided herein, earnings or losses on such investments shall be attributed to the Fund or Account for which the investment was made. In the event that the Trustee does not receive written directions from the Village to invest funds held hereunder, the Trustee is hereby directed by the Village to invest such funds in the _____ Government Money Market Fund or a successor money market mutual fund identified in a written direction to the Trustee by the Village. The Trustee is hereby authorized to execute purchases and sales of Qualified Investments through the facilities of its own trading or capital markets operations or those of any affiliated entity.

The Trustee shall send statements to the Village on a monthly basis reflecting activity in the account for the preceding month. Although the Village recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Village hereby agrees that confirmations of Qualified Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered.

ARTICLE VIII COVENANTS AND AGREEMENTS OF THE VILLAGE

Section 8.1 Tax Covenants.

(a) The Village covenants with the holders of the Bonds from time to time outstanding that it (i) will take all actions within its control 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 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 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 in the Bond and Interest Fund 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, Village Clerk and Village Treasurer are authorized to take such action as is 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 moneys in the Funds and Accounts established hereunder in order to establish that the Bonds shall not constitute arbitrage bonds as so defined.

(b) The Village further covenants as follows with respect to the requirements of Section 148(f) of the Code, relating to the rebate of “excess arbitrage profits” (the “Rebate Requirement”) to the United States:

(i) Unless an applicable exception to the Rebate Requirement is available to the Village, the Village will meet the Rebate Requirement from funds available under this Indenture.

(ii) Relating to applicable exceptions, the Village shall make such elections under the Code as it shall deem reasonable and in the best interests of the Village.

(iii) The Village shall cause to be established, at such time and in such manner as it shall deem necessary or appropriate hereunder, the Rebate Fund for the Bonds, and the Village shall further, not less frequently than annually, direct the Trustee in writing to transfer to the Rebate Fund the amount determined to be the accrued liability under the Rebate Requirement from funds available under the Indenture. The Village shall direct the Trustee in writing to pay to the United States, without further order or direction from the Corporate Authorities, from time to time as required, amounts sufficient to meet the Rebate Requirement from funds available under the Indenture.

(iv) Interest earnings in the Bond and Interest Fund are hereby authorized to be transferred, without further order or direction from the Corporate Authorities, upon written direction from an Authorized Officer from time to time as required, to the Rebate Fund for the purposes herein provided; and proceeds of the Bonds, investment earnings or amounts on deposit in any of the other funds and accounts created hereunder and any other funds of the Village are also hereby authorized to be used to meet the Rebate Requirement or to pay the Penalty, but only if necessary after application of investment earnings as aforesaid and only as appropriated by the Corporate Authorities.

Section 8.2 Levy and Collection of Taxes. The Village 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 levy, extension, collection and application of the taxes to be levied pursuant to this Indenture and the Bond Ordinance including enforcement of the Special Taxes as described in clause (c) below;

(b) it will not take any action which would adversely affect the levy, extension, collection and application of the taxes to be levied pursuant to this Indenture and the Bond Ordinance, except to abate those taxes to take into account prepayments to the extent permitted by this Indenture and the Special Tax Roll and Report;

(c) it will comply with all requirements of the Special Service Area Act, the Bond Ordinance and other applicable present and future laws concerning the levy, extension and collection of the taxes to be levied pursuant to this Indenture and the Bond Ordinance; in each case so that the Village shall be able to pay the principal of and interest on the Bonds as they come due but solely from funds held under the Indenture and it will take all actions necessary within its control to assure the timely collection of the Special Taxes, including without limitation, by the enforcement of any delinquent Special Taxes by providing the County of Kane with such information as is deemed necessary to enable the County to include any property subject to delinquent Special Taxes in the County Collector's annual tax sale. Any costs incurred by the Village shall be paid from amounts on deposit in the Administrative Expense Fund. In no event shall the Village be responsible for any other costs of foreclosure not paid from such funds.

(d) prior to the Village approving any change in the Plat of Subdivision which changes the density of the Special Service Area or otherwise becomes aware of a change in density, it will provide prompt written notice to the Consultant of such fact and the circumstances resulting in the change in density and shall secure payment from the Owners of all affected lots to the extent required by Section 4.2(b) hereof.

Section 8.3 Proper Books and Records. The Village will keep, or cause the Trustee to keep, 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 deposits to and expenditure of amounts disbursed from the Funds and Accounts created hereunder and the Special Taxes. Such books of record and accounts shall at all times during business hours be subject to the inspection of the holders of not less than ten percent (10%) of the principal amount of the Bonds then outstanding, or their representatives authorized in writing. The Village, or the Trustee on behalf of the Village, upon written request will mail to the Developer any information relating to the Bonds, the Special Service Area or the Special Services, including, but not limited to, the annual audits of the Funds and Accounts established under this Indenture for each and every year.

Section 8.4 Against Encumbrances. The Village will not encumber, pledge or place any charge or lien upon any of the Special Taxes or other amounts pledged to the Bonds superior to, on a parity with, or junior to, the pledge and lien created in this Indenture for the benefit of the Bonds, except as permitted by, or specifically set forth in, this Indenture.

Section 8.5 Continuing Disclosure Agreement. Based upon the fact that the Bonds are being initially issued in minimum denominations of \$100,000 and that the Village offered the

Bonds to fewer than 35 sophisticated investors each of which are not purchasing the Bonds for more than one account or with a view to distributing the Bonds, the offering and sale of the Bonds is exempt from the provisions of Rule 15c2-12, in effect as of the date of this Indenture, promulgated under the Securities and Exchange Act of 1934, as amended. Notwithstanding such exemption, the Developer has agreed to provide to the Village and the Consultant certain information pursuant to the Continuing Disclosure Agreement.

ARTICLE IX DEFAULTS AND REMEDIES

Section 9.1 Events of Default. “Events of Default” under this Indenture are as follows:

(a) Default shall be made by the Village in the payment of the principal of any Bond when and as the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise.

(b) Default shall be made by the Village in the payment of any installment of interest on any Bond when and as such installment of interest shall become due and payable.

(c) The Village shall (1) commence a voluntary case under the Federal bankruptcy laws, as now or hereafter 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 any involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law and such order shall continue in effect for a period of 60 days without stay or vacation.

(d) 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 and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof.

(e) 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, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control.

(f) The Village shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds, the Bond Ordinance or in this Indenture on the part of the Village to be performed, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Village by the Trustee (which may give such notice whenever it reasonably determines that such a default exists and shall give such notice at the written request of the holders of not less than a majority in principal amount of the Bonds then outstanding).

Section 9.2 Remedies. Upon the occurrence of an Event of Default the Trustee may, and upon the written request of the holders of a majority in principal amount of the outstanding Bonds and upon being indemnified by the holders as provided in Section 10.2(i) hereof shall, proceed to protect and enforce its rights and the rights of the holders 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 herein or in aid or execution of any power herein granted or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effective to protect and enforce the rights aforesaid.

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 9.10 hereof.

Upon the occurrence of an Event of Default described in Section 9.1(a) or (b) of this Indenture, which occurs during such time as amounts remain on deposit in the Improvement Fund, upon the written request of the holders of 25% in principal amount of the outstanding Bonds, the Trustee shall transfer any amounts on deposit in the Improvement Fund to the Bond and Interest Fund to be applied by the Trustee in accordance with Section 9.10 hereof; provided that such transfer may only occur in the event the Village has provided written notice to the Trustee that the Developer has abandoned construction of the Special Services and the Village has elected not to complete the Special Services.

ANY JUDGMENT AGAINST THE VILLAGE SHALL BE ENFORCEABLE ONLY AGAINST THE AMOUNTS PLEDGED PURSUANT TO THIS INDENTURE. THERE SHALL NOT BE AUTHORIZED ANY DEFICIENCY JUDGMENT AGAINST ANY ASSETS OF, OR THE GENERAL CREDIT OF, THE VILLAGE.

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

Section 9.3 Notice of Default. The Trustee shall, within 10 days after the Trustee receives notice or obtains knowledge of the occurrence of an Event of Default, mail to the Village and the Developer and post on EMMA, notice of all Events of Default known to the Trustee unless such Events of Default shall have been cured before the giving of such notice.

Section 9.4 Termination of Proceedings by Trustee. In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Village, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 9.5 Right of Bondholders to Control Proceedings. Anything in this Indenture to the contrary notwithstanding, the holders of a majority in principal amount of the Bonds then outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder in respect of the Bonds; provided that such direction shall not be otherwise

than in accordance with law and the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby.

Section 9.6 Right of Bondholders to Institute Suit. No holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or for any other remedy hereunder or on the Bonds unless such holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided, and unless also the holder, or holders, of a majority in principal amount of the outstanding Bonds shall have made written request of the Trustee after the right to exercise such powers, or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its name; and unless, also, there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of the outstanding Bonds.

Nothing in this Section 9.6 contained shall, however, affect or impair the right of any Bondholder, which is absolute and unconditional, to enforce the payment of the principal of and interest on the Bondholder's Bonds out of the Bond and Interest Fund, or the obligation of the Village to pay the same, out of the Bond and Interest Fund, at the time and place in the Bonds expressed.

Section 9.7 Suits by Trustee. All rights of action under this Indenture, or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, or proceeding, instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Bonds affected by such suit or proceeding, subject to the provisions of this Indenture.

Section 9.8 Remedies Cumulative. No remedy herein conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 9.9 Waiver of Default. No delay or omission of the Trustee or of any Bondholder to exercise any right or power shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article IX to the Trustee and the Bondholders, respectively, may be exercised from time to time, and as often as may be deemed expedient.

Section 9.10 Application of Moneys After Default. The Village covenants that if an Event of Default shall happen and shall not have been remedied, the Trustee shall apply moneys, securities and funds on deposit-in the Funds and Accounts established pursuant to Article VII or received by the Trustee pursuant to any right given or action taken under the provisions of this Section as follows and in the following order:

(a) To the payment of the reasonable and proper charges, expenses and liabilities of the Trustee, the Bond Registrar and any paying agent, including the fees and expenses of outside counsel for the Trustee, the Bond Registrar and any paying agent and the payment of Administrative Expenses owed to the Village or the Consultant.

(b) To the payment of the principal and interest then due on the Bonds as follows:

(i) first, to the payment to the persons entitled thereto of all interest then due or payable on the Bonds in the order of the maturity of such installments; and

(ii) second, to the payment to the persons entitled thereto of the unpaid installments of principal of any of the Bonds which have become due in the order of the maturity of such installments.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this paragraph, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee shall determine, having due regard for 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 any paying agent, 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 Bondholder 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 holder 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. In no event shall the Village be responsible for the payment of any fees and expenses of the Trustee except from funds held under the Indenture as provided herein.

ARTICLE X
TRUSTEE

Section 10.1 Appointment of the Trustee. The Trustee hereunder is hereby constituted and appointed as the trustee of an express trust hereby created for the Bondholders. The further rights and duties of the Trustee are set forth in this Article X.

Section 10.2 Performance of Duties. The Trustee shall perform such duties and only such duties as are specifically set forth in this Indenture. During the existence of any Event of Default which has not been cured, the Trustee shall exercise the rights, duties and powers vested in it by this Indenture by using such care as a corporate trustee ordinarily would use in performing trusts under a corporate trust or depositary agreement.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(a) The duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) In the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of this Indenture; but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Indenture.

(c) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(d) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority (or such larger percentage as is otherwise specifically required by the terms hereof) in aggregate principal amount of all the Bonds at the time outstanding.

(e) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the exercise of any of its rights or powers.

(f) At any and all reasonable times, upon first providing 48 hours' notice to the Village, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the books, papers and records of the Village pertaining to the Additional Special Services and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(g) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers granted by this Indenture or otherwise in respect of the premises.

(h) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the withdrawal of any cash or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, reasonably necessary to establish the right of the Village to the withdrawal of any cash or the taking of any other action by the Trustee.

(i) Before taking any action under Section 9.2, the Trustee may require that a satisfactory indemnity bond or other security satisfactory to it be furnished by the holders requesting that the Trustee take such action for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the negligence or willful default of the Trustee in connection with any action so taken.

(j) All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received.

(k) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees and shall not be answerable for the conduct of the same if appointed with due care hereunder.

Section 10.3 Instruments Upon Which Trustee May Rely. Except as otherwise provided in paragraph (b) hereof:

(a) The Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Any notice, request, direction, election, order or demand of the Village mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Village by its President or its Village Clerk (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Corporate Authorities may be evidenced to the Trustee by a copy thereof certified by the Village Clerk under the Village seal.

(c) The Trustee may consult with reputable counsel (who may but need not be counsel for the Village) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

(d) Whenever in the administration of the trusts under this Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking

or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of the Village; and such certificate of the Village shall, in the absence of negligence or bad faith on the part of the Trustee, be full warranty to the Trustee for any action taken or suffered by it under the provisions of this Indenture upon the faith thereof.

Section 10.4 Trustee not Responsible for Recitals and Other Matters. The Trustee shall not be responsible in any manner whatsoever for the correctness of the recitals herein or in the Bonds (except the Trustee's certificate of authentication thereon), all of which are made by the Village solely; and the Trustee shall not be responsible or accountable in any manner whatsoever for or with respect to the validity or execution or sufficiency of this Indenture, or of any indenture supplemental hereto, or of the Bond Ordinance or the Bonds, or the sufficiency of the taxes levied to pay the principal of and interest on the Bonds, or for the security afforded hereby or for the validity of any securities at any time held hereunder, and the Trustee makes no representation with respect thereto. The Trustee shall not be accountable for the use or application by the Village of the proceeds of any Bonds authenticated and delivered hereunder, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this Indenture.

Section 10.5 Reserved.

Section 10.6 Qualification of Trustee. There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States or any state thereof, authorized under such laws to exercise corporate trust powers, having a combined capital, surplus and undivided profits of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this paragraph the combined capital, surplus and undivided profits of such corporation shall be deemed to be its combined capital, surplus and undivided profits as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this paragraph, the Trustee shall resign immediately in the manner and with the effect specified in Section 10.7.

Section 10.7 Resignation or Removal of Trustee and Appointment of Successor.

(a) The Trustee may at any time resign by giving written notice to the Village, the Developer, and the Bondholders by first class mail to the names and addresses shown on the list maintained by the Bond Registrar. Upon receiving such notice of resignation, the Village shall promptly appoint a successor Trustee by an instrument in writing executed by order of the Village Board of Trustees. If no successor Trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, or any Bondholder who has been a bona fide holder of a Bond or Bonds for at least six months may, on behalf of himself and all others similarly situated, petition any such court for the

appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

(b) In case at any time any of the following shall occur:

(i) The Trustee shall cease to be eligible in accordance with the provisions of Section 10.6 and shall fail to resign after written request therefor by the Village, or by any Bondholder who has been a bona fide holder of a Bond or Bonds for at least six months, or

(ii) The Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Village may remove the Trustee and appoint a successor Trustee by an instrument in writing executed by order of the Village or any Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor Trustee.

(c) The Village may at any time remove the Trustee and appoint a successor Trustee by an instrument in writing signed by the Village and delivered to the Trustee; provided that during the continuance of an Event of Default the approval of the holders of a majority in aggregate principal amount of all the Bonds at the time outstanding, shall be required prior to the removal of the Trustee. Such successor Trustee shall be a corporation authorized under applicable laws to exercise corporate trust powers, may be incorporated under the laws of the United States or of any State within the United States. Such successor Trustee shall satisfy the minimum combined capital, surplus and undivided profits requirement set forth in Section 10.6.

(d) Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section 10.7 shall become effective upon acceptance of appointment by the successor Trustee as provided in Section 10.8.

Section 10.8 Concerning the Successor Trustee. Any successor Trustee appointed as provided in Section 10.7 shall execute, acknowledge and deliver to the Village and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusts hereunder, with like effect as if originally named as Trustee herein; but nevertheless on the written request of the Village or the request of the successor Trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee so ceasing to act. Upon request of any such successor Trustee, the Village shall execute any and all instruments in writing more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and duties. Any Trustee

ceasing to act shall nevertheless be entitled to receive the amounts due it as compensation, reimbursement, expenses and indemnity afforded to it by this Article X.

No successor Trustee shall accept appointment as provided in this Section 10.8 unless at the time of such acceptance such successor Trustee shall be eligible under the provisions of Section 10.6.

Upon the acceptance of appointment by a successor Trustee as provided in this Section 10.8, the Village shall mail a copy of such notice to each person whose name appears as an owner of Bonds on the list maintained by the Bond Registrar. If the Village fails to mail such notice within 10 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Village.

Any banking association or corporation into which the Trustee may be merged, converted or with which the Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Trustee shall be transferred, shall succeed to all the Trustee's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 10.9 Monthly Statements. The Trustee shall provide the Consultant, the Developer and the Village, or their designees, a monthly statement, commencing on _____, 2018, itemizing all moneys received by it and all payments made by it under this Indenture during the preceding monthly period and annual reports relating to the Funds and Accounts created under this Indenture and such other information relating to the Bonds and the Funds and Accounts maintained by the Trustee under this Indenture as the Developer and the Village shall reasonably request.

ARTICLE XI SUPPLEMENTAL INDENTURES

Section 11.1 Supplemental Indentures Not Requiring Consent of Bondholders. The Village by the Corporate Authorities, and the Trustee from time to time and at any time, subject to the conditions and restrictions in this Indenture contained, may pass and accept an indenture or indentures supplemental hereto, which indenture or indentures thereafter shall form a part hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture;
- (b) To grant or to confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee;
- (c) To subject to this Indenture additional taxes, revenues, properties or collateral; and

(d) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said laws.

Any supplemental indenture authorized by the provisions of this Section 11.1 may be executed by the Village, and by the Trustee without the consent of any Owner of the Bonds at the time outstanding, but only upon receipt of an opinion of bond counsel if requested pursuant to the provisions of Section 11.6, notwithstanding any of the provisions of Section 11.2, but the Trustee shall not be obligated to accept any provision of such supplemental indenture to the extent that it affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 11.2 Supplemental Indentures Requiring Consent of Bondholders. With the consent (evidenced as provided herein) of not less than a majority in aggregate principal amount of the Bonds at the time outstanding, but only upon receipt of an opinion of bond counsel if requested pursuant to the provisions of Section 11.6, the Village, by the Corporate Authorities may pass, and the Trustee may accept from time to time and at any time an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this indenture or of any supplemental indenture; provided that no such modification or amendment shall extend the maturity or reduce the principal of or the interest rate on or otherwise alter or impair the obligation of the Village to pay the principal or interest at the time and place and at the rate and in the currency provided therein of any Bond without the express consent of the registered owner of such Bond or permit the creation of a preference or priority of any Bond or Bonds over any other Bond or Bonds, or reduce the percentage of Bonds, respectively, required for the affirmative vote or written consent to an amendment or modification, or deprive the registered owners of the Bonds (except as aforesaid) of the right to payment of the Bonds, from the Special Taxes and the Foreclosure Proceeds without the consent of the registered owners of all the Bonds (as the case may be) then outstanding. Upon receipt by the Trustee of a certified copy of such Indenture and upon the filing with the Trustee of evidence of the consent of Bondholders as aforesaid, the Trustee shall accept such supplemental indenture, but the Trustee shall not be obligated to accept any provision of such supplemental indenture to the extent that it affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Promptly after the passage by the Village and the acceptance by the Trustee of any supplemental indenture pertaining to the Bonds pursuant to the provisions of this paragraph, the Village shall mail a notice by first class mail to the Bondholders such supplemental indenture, and that the supplemental indenture has been consented to by the requisite percentage of the Bondholders. Any failure of the Village to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Section 11.3 Supplemental Indenture to Modify this Indenture. Upon the execution of any supplemental indenture pursuant to the provisions of this Article XI, and upon receipt of the

opinion of bond counsel if required by the provisions of Section 11.6, this Indenture shall be modified and amended in accordance therewith and the respective rights, duties and obligations under this Indenture of the Village, the Trustee and all registered owners of Bonds, outstanding thereunder shall thereafter be determined, exercised and enforced hereunder subject in •all respects to such modification and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 11.4 Trustee May Rely Upon Opinion of Counsel Re: Supplemental Indenture. The Trustee may receive an opinion of counsel as conclusive evidence that any supplemental indenture executed pursuant to the provisions of this Article XI complies with the requirements of this Article XI.

Section 11.5 Notation. Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article XI may bear a notation, in form approved by the Trustee, as to any matter provided for in such supplemental indenture, and if such supplemental indenture shall so provide, new Bonds, so modified as to conform, in the opinion of the Trustee and the Corporate Authorities, to any modification of this Indenture contained in any such supplemental indenture, may be prepared by the Village, authenticated by the Trustee and delivered without cost to the registered owners of the Bonds then outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

Section 11.6 Opinion of Bond Counsel. Prior to the adoption of a supplemental indenture executed pursuant to the provisions of this Article XI the Trustee shall give written notice by mail to the Developer, the Consultant, and the registered owners of all Bonds Outstanding at the addresses as set forth in the Register of the Bonds held by the Bond Registrar of the substance of the proposed supplemental indenture and provide notice of the right of the owner to request an opinion of bond counsel pursuant to this Section. If within 10 days of the Trustee's mailing such notice any registered owner of the Bonds requests that an opinion of bond counsel be delivered to the effect that such supplemental indenture will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes, such supplemental indenture shall not become effective until such opinion has been delivered to the Trustee.

ARTICLE XII DEFEASANCE

Section 12.1 Defeasance.

(a) If the Village shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders of all Bonds the principal or redemption price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, then the pledge of the Trust Estate, and all covenants, agreements and other obligations of the Village to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Village to be prepared and filed with the Village and, upon the request of the Village, shall execute and deliver to the Village all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or

deliver to the Village all moneys or securities held pursuant to this Indenture which are not required for the payment of principal or redemption price, if applicable, of and interest on the Bonds. If the Village shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders of any outstanding Bonds the principal or redemption price and interest due or to become due thereon, at the times and in the manner stipulated therein 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 Bondholders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the Village of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 12.1. In addition, any Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 12.1 upon compliance with the provisions of subsection (c) of this Section 12.1.

(c) Subject to the provisions of subsection (d) of this Section 12.1, any Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 12.1 if:

(i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Village shall have given to the Trustee irrevocable instructions accepted in writing by the Trustee to give as provided in Section 4.5 notice of redemption of such Bonds on said date;

(ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient or Defeasance Securities, 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 or prior to the redemption date or maturity date thereof, as the case may be (the Trustee shall be entitled to receive and may conclusively rely on a verification report in determining that a deposit of moneys or Defeasance Securities is sufficient for the purposes of this clause (ii)); and

(iii) in the event said Bonds do not mature, are not by their terms subject to redemption or, under the plan of refunding applicable thereto, are not to be redeemed, in each case, within the next succeeding ninety (90) days, the Village shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable, by first-class mail, postage prepaid, to the owners of such Bonds at their last addresses appearing on the books of the Village kept at the office of the Bond Registrar a notice that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 12.1 and stating such maturity or

redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds.

(d) Anything in this Indenture to the contrary notwithstanding, any moneys held in trust for the payment and discharge of any of the Bonds which remain unclaimed for one year after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption shall be repaid to the Village, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged, with respect thereto and the Bondholders shall look only to the Village for the payment of such Bonds; provided, however, that before being required to make any such payment to the Village, the Trustee shall, at the expense of the Village, (i) give to the owners of such Bonds as to which any moneys remain unclaimed, by first class mail, postage prepaid, at the last address of such owners appearing on the books of the Village kept at the office of the Bond Registrar and (ii) cause to be published [on EMMA], a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the publication of such notice, the balance of such moneys then unclaimed will be returned to the Village.

(e) Upon the payment or defeasance of all outstanding Bonds as provided in this Article XII the Trustee and the Village shall execute a Satisfaction of Tax Lien substantially in the form of Exhibit C hereto for all Parcels for which a satisfaction of tax lien has not previously been delivered and the Village shall file or cause to be filed such Satisfaction of Tax Lien with the Recorder of Deeds of Kane County, Illinois.

ARTICLE XIII MISCELLANEOUS

Section 13.1 Severability. If any provision of this Indenture shall be held or deemed to be illegal, inoperative or unenforceable under applicable law or interpreted in such manner as to be prohibited by or be held invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Indenture.

Section 13.2 Notices. Except as otherwise provided in this Indenture, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when personally delivered or mailed by certified mail, postage prepaid, or when sent by telecopy (receipt confirmed by telephone) or telegram, addressed as follows:

If to the Village:

Village of Gilberts
87 Galligan Road
Gilberts, Illinois 60136
Attn: Rick Zirk, Village President
Telephone: (847) 428-2861
Telecopier/Fax: (847) 428-2955

With copy to:

Julie A. Tappendorf
Ancel Glink Diamond Bush DiCianni & Krafthefer PC
140 S. Dearborn Street, Suite 600
Chicago, Illinois 60603
Telephone: (312) 604-9182
Telecopier/Fax: (312) 782-0943

If to the Trustee:

Amalgamated Bank of Chicago
30 North LaSalle Street
Chicago, IL 60602
Attn: Donna Howard, Corporate Trust
Telephone: (312) 822-8505
Telecopier/Fax: (312) 267-8783

If to the Developer:

Gilberts Development, LLC
340 W. Butterfield Road, Suite D
Elmhurst, Illinois 60126-5042
Attn: Troy Mertz
Telephone: (847) 774-9435

Section 13.3 Holidays. If any date for the payment of an amount hereunder or the taking of any other action required or permitted to be taken hereunder, is not a Business Day, then such payment shall be due, or such action shall or may be taken, as the case may be, on the first Business Day thereafter with the same force and effect as if done on the nominal date provided in this Indenture.

Section 13.4 Execution of Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.5 Applicable Law. This Indenture shall be governed by and construed in accordance with the internal laws of the State of Illinois.

Section 13.6 Immunity of Officers, Employees, Elected Officials of Village. No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture or any agreement supplemental hereto, against any past, present or future president, trustee or other officer, director, member, employee, attorney or agent of the Village, or any incorporator, officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the Village or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and

released as a condition of and consideration for the execution of this Indenture and the issuance of any of the Bonds.

IN WITNESS WHEREOF, the Village of Gilberts, Illinois has caused these presents to be signed in its name and on its behalf by its President and its corporate seal to be hereunto affixed and attested by its Village Clerk and to evidence its acceptance of the trusts hereby created Amalgamated Bank of Chicago has caused these presents to be signed in its name and on its behalf by its Authorized Officer, its official seal to be hereunto affixed and the same to be attested by its Authorized Officer, all as of the day and year first above written.

VILLAGE OF GILBERTS, ILLINOIS

By: _____
Rick Zirk, President

[SEAL]

Attest:

By: _____
Debra Meadows, Village Clerk

AMALGAMATED BANK OF CHICAGO, as
Trustee hereunder

By: _____
Authorized Officer

EXHIBIT A
VILLAGE OF GILBERTS
SPECIAL SERVICE AREA NUMBER TWENTY-FIVE

Legal Description of Property

THE CONSERVANCY OVERALL LEGAL DESCRIPTION

PARCEL 1:

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AND THAT PART OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING EASTERLY OF THE RIGHT OF WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY, SAID LINE BEING ALSO THE WESTERLY RIGHT OF WAY LINE OF THE ELGIN AND BELVIDERE ELECTRIC COMPANY, EXCEPTING THEREFROM THAT PART FALLING WITHIN THE PLAT OF THE CONSERVANCY-POD 4 RECORDED MARCH 30, 2007 AS DOCUMENT NO. 2007K035676, IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS.

AND ALSO

THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THAT PART FALLING WITHIN THE PLAT OF THE CONSERVANCY-POD 4 RECORDED MARCH 30, 2007 AS DOCUMENT NO. 2007K035676, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 42, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THAT PART FALLING WITHIN THE PLAT OF THE CONSERVANCY-POD 4 RECORDED MARCH 30, 2007 AS DOCUMENT NO. 2007K035676, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THAT PART FALLING WITHIN THE PLAT OF THE CONSERVANCY-POD 4 RECORDED MARCH 30, 2007 AS DOCUMENT NO. 2007K035676, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE SOUTH HALF OF THE SOUTH HALF OF SECTION 2 AND THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 11, ALL IN TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE NORTH HALF OF THE NORTHEAST QUARTER (EXCEPT THE SOUTH 4 RODS OF THE WEST 3 RODS THEREOF) OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 2, (EXCEPT THE WEST 87 LINKS OF THE NORTHWEST QUARTER OF SAID NORTHWEST FRACTIONAL QUARTER AND ALSO EXCEPT THAT PART OF SAID NORTHWEST FRACTIONAL LYING NORTHEASTERLY OF THE CENTER LINE OF HUNTLEY ROAD), TOGETHER WITH THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 2, ALL IN TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF A PARCEL OF LAND DESCRIBED BY DEED RECORDED JULY 10, 1868 AS DOCUMENT 2037, SAID POINT BEING 87 LINKS (57.42 FEET) EAST OF THE NORTHWEST CORNER OF SAID NORTHWEST FRACTIONAL SECTION 2; THENCE NORTH 89 DEGREES 51 MINUTES 44 SECONDS EAST ALONG THE NORTH LINE OF SAID NORTHWEST FRACTIONAL QUARTER, A DISTANCE OF 1197.74 FEET TO THE CENTERLINE OF THE HUNTLEY-DUNDEE ROAD 66.00 FOOT WIDE RIGHT-OF-WAY; THENCE SOUTH 50 DEGREES 43 MINUTES 35 SECONDS EAST ALONG SAID CENTERLINE, A DISTANCE OF 1177.09 FEET; THENCE SOUTH 39 DEGREES 16 MINUTES 25 SECONDS WEST PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 1766.01 FEET; THENCE SOUTH 89 DEGREES 51 MINUTES 44 SECONDS WEST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST FRACTIONAL SECTION, A DISTANCE OF 433.74 FEET; THENCE SOUTH 22 DEGREES 20 MINUTES 17 SECONDS EAST, A DISTANCE OF 1978.77 FEET TO A POINT ON THE SOUTH LINE OF NORTH HALF OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2; THENCE SOUTH 89 DEGREES 48 MINUTES 45 SECONDS WEST ALONG SAID SOUTH LINE, A DISTANCE OF 1386.37 FEET TO THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2; THENCE NORTH 00 DEGREES 17 MINUTES 04 SECONDS EAST ALONG SAID WEST LINE, A DISTANCE OF 1320.11 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2; THENCE CONTINUING NORTH 00 DEGREES 17 MINUTES 04 SECONDS EAST ALONG THE WEST LINE OF SAID NORTHWEST FRACTIONAL QUARTER, A DISTANCE OF 1320.42 FEET TO THE SOUTHWEST CORNER OF GOVERNMENT LOT 2, ALSO BEING THE SOUTHWEST CORNER OF LAND DESCRIBED BY SAID DOCUMENT 2037; THENCE NORTH 89 DEGREES 53 MINUTES 23 SECONDS EAST ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 2 A DISTANCE OF 87 LINKS (57.42 FEET); THENCE NORTH 00 DEGREES 17 MINUTES 04 SECONDS EAST ALONG THE EAST LINE OF LAND DESCRIBED BY SAID DOCUMENT 2037, A DISTANCE OF 1304.64 FEET TO THE POINT OF BEGINNING, IN KANE COUNTY, ILLINOIS.

PARCEL 3:

COMMENCING AT A POINT 87 LINKS EAST OF THE NORTHWEST CORNER OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS; THENCE NORTH 89 DEGREES 51 MINUTES 44 SECONDS EAST ALONG THE NORTH LINE OF SAID NORTHWEST FRACTIONAL QUARTER, A DISTANCE OF 1197.74 FEET TO THE CENTERLINE OF THE HUNTLEY-DUNDEE ROAD 66.00 FOOT WIDE RIGHT-OF-WAY; THENCE SOUTH 50 DEGREES 43 MINUTES 35 SECONDS EAST ALONG SAID CENTERLINE, A DISTANCE OF 1177.09 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 39 DEGREES 16 MINUTES 25 SECONDS WEST PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 1766.01 FEET; THENCE SOUTH 89 DEGREES 51 MINUTES 44 SECONDS WEST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST FRACTIONAL SECTION, A DISTANCE OF 433.74 FEET; THENCE SOUTH 22 DEGREES 20 MINUTES 17 SECONDS EAST TO A POINT ON THE HALF SECTION LINE OF SAID SECTION 2; THENCE EAST ALONG SAID EAST-WEST HALF SECTION LINE TO THE CENTER POINT OF SECTION 2; THENCE NORTH ALONG THE NORTH-SOUTH HALF SECTION LINE OF SECTION 2 TO THE CENTERLINE OF SAID HUNTLEY ROAD; THENCE WESTERLY ALONG SAID CENTERLINE TO THE POINT OF BEGINNING, TOWNSHIP OF RUTLAND, COUNTY OF KANE, STATE OF ILLINOIS.

PARCEL 4:

THE NORTH HALF OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 2, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS, EXCEPT THE FOLLOWING DESCRIBED TRACT:
BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2; THENCE SOUTH 00 DEGREES 17 MINUTES 04 SECONDS WEST ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2, A DISTANCE OF 1320.11 FEET TO THE SOUTH LINE OF SAID NORTH HALF OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 2; THENCE NORTH 89 DEGREES 48 MINUTES 45 SECONDS EAST ALONG SAID SOUTH LINE A DISTANCE OF 1386.37 FEET; THENCE NORTH 22 DEGREES 20 MINUTES 17 SECONDS WEST TO A POINT ON THE NORTH LINE OF SAID SOUTHWEST QUARTER; THENCE EAST ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER TO THE POINT OF BEGINNING, TOWNSHIP OF RUTLAND, COUNTY OF KANE, STATE OF ILLINOIS.

PARCEL 5:

THE NORTH HALF OF THE EAST HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

CURRENT P.I.N.'S:

02-02-300-002 (PARCEL 1)
02-02-400-002 (PARCEL 1)
02-11-100-010 (PARCEL 1)
02-11-200-001 (PARCEL 1)
02-11-100-003 (PARCEL 1)
02-11-200-007 (PARCEL 1)
02-11-200-005 (PARCEL 1)
02-11-400-005 (PARCEL 1)
02-11-300-008 (PARCEL 1)
02-11-400-003 (PARCEL 1)
02-11-400-004 (PARCEL 1)
02-02-100-008 (PARCEL 2)
02-02-300-004 (PARCEL 2)
02-02-100-007 (PARCEL 3)
02-02-300-003 (PARCEL 4)
02-11-200-003 (PARCEL 5)

PREPARED BY:
MANHARD CONSULTING LTD
700 SPRINGER DRIVE
LOMBARD, ILLINOIS 60148
PHONE: 630-691-8500
PREPARED JULY 6, 2017

EXHIBIT B

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF KANE

VILLAGE OF GILBERTS

SPECIAL SERVICE AREA NUMBER TWENTY-FIVE SPECIAL TAX BOND

SERIES 2018

(THE CONSERVANCY PROJECT)

Bond No. R-1 Accreted Value: \$ _____

Date of Bond: _____, 2018 Interest Rate: ____%

CUSIP: _____ Maturity Date: March 1, _____

Registered Owner: Cede & Co.

Original Principal Amount: _____

The Village of Gilberts, Kane County, Illinois (the “Village”), for value received, promises to pay to the Registered Owner specified above or registered assigns, upon presentation and surrender of this bond at the office of Amalgamated Bank of Chicago, Chicago, Illinois, as Trustee (the “Trustee”) the Accreted Value specified above on the Maturity Date of this bond specified above upon the presentation and surrender hereof at the principal office of the Trustee. Interest on this Bond compounded from the date of delivery to March 1, 2020 (the “Interest Commencement Date”) will be payable only at maturity or upon redemption prior to maturity. The Village also promises to pay from the Interest Commencement Date to maturity, interest, commencing on September 1, 2020, and semiannually thereafter on March 1 and September 1 of each year (an “Interest Payment Date”), at the Interest Rate per annum set forth above until the Accreted Value hereof is paid. Interest shall be computed on the basis of a 360-day year of twelve 30-days months. Interest on this bond shall be payable on each interest payment date by check or draft of the Trustee mailed to the person in whose name this bond is registered at the close of business on the 15th day of the month preceding such interest payment date. On maturity of this Bond, payments of the Accreted Value shall be made by check to or upon the order of the registered holder at his address as it appears on the registration books maintained by the Trustee. During such time as this bond is registered so as to participate in a securities depository system with The Depository Trust Company (“DTC”), principal of and interest on this Bond shall be payable by wire transfer pursuant to instructions from DTC. The principal of and interest on this bond are payable in lawful money of the United States of America. No interest shall accrue on this bond after its Maturity Date unless this bond shall have been presented for payment at maturity and shall not then have been paid.

This bond is one of an authorized issue of bonds in the aggregate Accreted Value of \$ _____. This bond and the issue of which it is a part (together, the “Bonds”) are issued

pursuant to the provisions of the “Special Service Area Tax Law,” 35 ILCS §200/27-5 *et seq.*, as amended, and the provisions of the Local Government Debt Reform Act, 30 ILCS §350/1 *et seq.*, as amended, and the principal of and interest on the Bonds are payable from special taxes (the “Special Taxes”) levied on all taxable real property within the Village of Gilberts Special Service Area Number Twenty-Five (the “Special Service Area”) pursuant to a special tax roll.

The Bonds are being issued for the purpose of financing Additional Special Services as defined in the hereinafter defined Indenture refunding the Village of Gilberts Special Service Area Number Twenty-Five Special Tax Bonds, Series 2014 (The Conservancy Project) all as more fully described in an ordinance adopted by the President and Board of Trustees of the Village on _____ (the “Bond Ordinance”) and the Trust Indenture dated as of _____ 1, 2018 between the Village and the Trustee (the “Indenture”), to all the provisions of which the holder by the acceptance of this bond assents. Terms not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture. The Bonds, together with the interest thereon, are limited obligations of the Village, payable solely from the collection of the Special Taxes and other moneys deposited in certain Funds and Accounts established pursuant to the Indenture. For the prompt payment of the principal of and interest on this bond the Special Taxes are hereby irrevocably pledged. **THE BONDS DO NOT CONSTITUTE 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 THE PAYMENT OF THE BONDS.**

The Bonds are subject to mandatory sinking fund redemption and final payment at a price of par plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

The Village covenants that it will redeem the Bonds pursuant to the mandatory sinking fund redemption requirements for the Bonds to the extent amounts are on deposit in the Bond and Interest Fund.

The Bonds maturing on or after March 1, 2028 are subject to optional redemption prior to maturity at any time after March 1, 2027 at a redemption price of 100% of the Accreted Value of the Bonds to be redeemed plus accrued but unpaid interest to the redemption date.

The Bonds are subject to mandatory redemption on any date, in part, at a redemption price equal to 100% of the Accreted Value the principal amount to be redeemed, together with

accrued interest to the date fixed for redemption, without premium, from amounts in the Special Redemption Account consisting of the proceeds received by the Village in connection with a condemnation of any of the Special Services or any other property owned by or dedicated to the Village within the Special Service Area and allocable to the Bonds as determined by the Consultant and which proceeds are not used by the Village to rebuild the Special Services.

The Bonds are subject to mandatory redemption on any March 1, June 1, September 1 or December 1, in whole or in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium, in connection with any mandatory prepayment of the Special Tax upon any event that reduces the total of the Maximum Parcel Special Tax on all of the Parcels (including any reductions due to the number of Dwelling Units or Net Acreage to an amount less than the Maximum Special Tax) all as described in, and in the amounts set forth in, Section N of the Special Tax Roll and Report.

The Bonds are also subject to mandatory redemption on each March 1, June 1, September 1 and December 1, in part, from amounts available for disbursement from the Special Redemption Account of the Bond and Interest Fund in connection with optional prepayments of the Special Taxes, at a redemption price as follows (expressed as a percentage of the Accreted Value of the Bonds to be redeemed) together with accrued but unpaid interest on such Bonds to the date fixed for redemption:

Prior to March 1, 2025	103%
March 1, 2025 through and including February 28, 2026	102%
March 1, 2026 through and including February 28, 2027	101%
March 1, 2027 and thereafter	100%

The Bonds are also subject to mandatory redemption (i) on each March 1, June 1, September 1 and December 1, in part, from recapture payments on deposit in the Special Redemption Account and (ii) on the Completion Date from amounts transferred to the Special Redemption Account of the Bond and Interest Fund from the Improvement Fund, at a redemption price of 100% of the Accreted Value of the Bonds to be redeemed together with accrued but unpaid interest on such Bonds to the date fixed for redemption.

Except as otherwise provided above, any mandatory redemption of Bonds as described in the paragraphs above shall be applied to the extent possible to reduce the amount of Bonds to be redeemed by mandatory sinking fund redemption pursuant to the Indenture in order of mandatory sinking fund redemption dates (earliest dates first).

If less than all the Bonds of any maturity are to be redeemed on any redemption date, the Bond Registrar named below will assign to each Bond of the maturity to be redeemed a distinctive number for each \$1,000 of Accreted Value of that Bond. The Bond Registrar will then select the Bonds for redemption based on the pro rata amount held by each Bondholder; provided that following any redemption, no Bonds shall be outstanding in an amount less than the minimum Authorized Denomination.

Notice of the redemption of any Bonds, which by their terms shall have become subject to redemption, will be given to the registered owner of each Bond called for redemption in whole or in part not less than 20 or more than 60 days before any date established for redemption of Bonds, by the Bond Registrar, on behalf of the Village, by registered or certified mail sent to the registered owner's last address, if any, appearing on the registration books kept by the Bond Registrar. All notices of redemption shall include at least the designation, date and maturities of Bonds called for redemption, CUSIP Numbers, if available, and the date of redemption. In the case of a Bond to be redeemed in part only, the notice will also specify the portion of the principal amount of the Bond to be redeemed. The mailing of the notice specified above to the registered owner of any Bond will be a condition precedent to the redemption of that Bond, provided that any notice which is mailed in accordance with the Indenture will be conclusively presumed to have been duly given whether or not the owner received that notice. The failure to mail notice to the owner of any Bond, or any defect in that notice, shall not affect the validity of the redemption of any other Bonds.

This bond is negotiable, subject to the following provisions for registration and registration of transfer. The Village maintains books for the registration and registration of transfer of Bonds at the office of the Trustee, as Bond Registrar. This bond is fully registered on those books in the name of its owner, as to both principal and interest, and transfer of this bond may be registered on those books upon surrender of this bond to the Bond Registrar by the registered owner or his or her attorney duly authorized in writing together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney. Upon surrender of this bond for registration of transfer, a new bond or bonds in the same aggregate principal amount and of the same maturity and subseries will be issued to the transferee as provided in the Indenture.

This bond may be exchanged, at the option of the Registered Owner, for an equal aggregate principal amount of bonds of the same maturity and subseries of any other Authorized Denominations, upon surrender of this bond at the office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his or her duly authorized attorney.

For every exchange or registration of transfer of this bond, the Village or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the Village, required to be paid with respect to that exchange or registration of transfer, and payment of that charge by the person requesting exchange or registration of transfer shall be a condition precedent to that exchange or registration of transfer. No other charge may be made by the Village or the Bond Registrar as a condition precedent to exchange or registration of transfer of this bond.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond following the close of business on the 15th day of the month 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 15 days next preceding mailing of a notice of redemption of any Bonds.

The Village, the Trustee and the Bond Registrar may deem and treat the registered owner of this bond as its absolute owner, whether or not this bond is overdue, for the purpose of receiving payment of the principal of or interest on this bond and for all other purposes, and neither the Village, the Bond Registrar nor the Trustee shall be affected by any notice to the contrary. Payment of the principal of and interest on this bond shall be made only to its registered owner, and all such payments shall be valid and effective to satisfy the obligation of the Village on this bond to the extent of the amount paid.

All conditions which by law must have existed or must have been fulfilled in the issuance of this bond existed and were fulfilled in compliance with law. Provision has been made for the levy, collection and segregation of the Special Taxes sufficient to pay and discharge the principal of this bond at maturity and to pay interest on this bond as it falls due. The issuance of the Bonds by the Village will not cause the Village to exceed or violate any applicable limitation or condition respecting the issuance of bonds imposed by the law of the State of Illinois or by any indenture, ordinance or resolution of the Village. The Bonds are issued for purposes for which the Village is authorized by law to issue bonds including but not limited to the refunding of the Prior Bonds, payment of a portion of the costs of the special services to be provided to the Special Service Area and paying costs of the Village in connection with the issuance of the Bonds.

This bond shall not be valid for any purpose unless and until the certificate of authentication on this bond shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the Village of Gilberts, Kane County, Illinois, by its President and Board of Trustees, has caused this bond to be executed by the manual or facsimile signature of its President and attested by the manual or facsimile signature of its Village Clerk and has caused its corporate seal to be affixed to this bond (or a facsimile of its seal to be printed on this bond), all as of the Date of Bond specified above.

VILLAGE OF GILBERTS, ILLINOIS

By: _____
Rick Zirk, President

(SEAL)

ATTEST:

Debra Meadows, Village Clerk

Date of Authentication:

This bond is one of the bonds described in the Indenture authorizing the issuance of \$_____ Village of Gilberts, Kane County, Illinois Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (The Conservancy Project).

AMALGAMATED BANK OF CHICAGO, as
Trustee

By: _____
Authorized Signatory

TRANSFER CERTIFICATE

For Value Received, the undersigned sells, assigns and transfers to _____ this bond and all rights and title under this bond, and irrevocably constitutes and appoints _____ attorney to transfer this bond on the books kept for registration of this bond.

Dated: _____

VILLAGE OF GILBERTS

By: _____
Rick Zirk, President

Approved by:

MUNICAP INC.

By: _____
Title: _____

The Trustee hereby acknowledges
receipt of the sum of \$ _____

AMALGAMATED BANK OF CHICAGO, as trustee

By: _____
Title: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF)

I, _____, a Notary Public in and for such County and State aforesaid, do hereby certify that Rick Zirk, personally known to me to be the President of the Village of Gilberts, Illinois, whose name is subscribed to the foregoing Satisfaction, appeared before me this day in person and acknowledged that as such officer he signed and delivered the foregoing Satisfaction as such officer of the Village of Gilberts, Illinois, as his free and voluntary act, and as the free and voluntary act and deed of such Village, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this _____ day of _____, 201__.

Notary Public

Commission expires: _____

EXHIBIT D

DISBURSEMENT REQUEST – IMPROVEMENT FUND AND COSTS OF ISSUANCE

TO: Amalgamated Bank of Chicago
30 North LaSalle Street
Chicago, IL 60602
Attn: _____

RE: \$ _____
Village of Gilberts
Kane County, Illinois
Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (The Conservancy Project)

Amount Requested: _____
Total Disbursements to Date: _____

1. Each obligation for which a disbursement is hereby requested is described in reasonable detail in Schedule I hereto together with the name and address of the person, firm, or corporation to whom payment is due, which may include the Developer for reimbursement of amounts expended, and any other payment instructions.
2. The bills, invoices, or statements of account for each obligation referenced in Schedule I are attached hereto as Schedule II.
3. The Village hereby certifies that:
 - a. This written requisition is for payment of Additional Special Services or costs of issuance incurred in connection with the issuance of the above-referenced Bonds and the specific purpose for which this request is made is described in Schedule I.
 - b. Payment instructions sufficient to make the requested payment are set forth in Schedule I.
 - c. No portion of the amount being requested to be disbursed was set forth in any previous request for disbursement.
4. All capitalized terms herein shall have the meanings assigned to them in the Trust Indenture for the above-referenced Special Tax Bonds dated as of _____ 1, 2018 by and between the Village of Gilberts, Kane County, Illinois and Amalgamated Bank of Chicago, as Trustee.

By: _____
Authorized Officer

[\$20,441,000]
VILLAGE OF GILBERTS, KANE COUNTY, ILLINOIS
SPECIAL SERVICE AREA NUMBER TWENTY-FIVE
SPECIAL TAX BONDS, SERIES 2018

BOND PURCHASE AGREEMENT

_____, 2018

Village President and Board of Trustees
Village of Gilberts, Illinois
87 Galligan Road
Gilberts, Illinois 60136

Ladies and Gentlemen:

D.A. Davidson & Co. (the “*Underwriter*”) and Gilberts Development LLC, a Delaware limited liability company (the “*Developer*”), offer to enter into this Bond Purchase Agreement (this “*Agreement*”), which upon acceptance by the Village of this offer will be binding upon the Village, the Underwriter and the Developer. Initially capitalized terms used but not otherwise defined in this Agreement have the same meanings given them in the Indenture and the Limited Offering Memorandum (each as hereinafter defined).

This offer is made subject to acceptance by the Village prior to _____, 2018, 5:00 P.M., Chicago, Illinois time. Upon such acceptance, as evidenced by the execution of this Agreement by its signatories, this Agreement shall be in full force and effect in accordance with the terms set forth in this Agreement. If this offer is not so accepted by the time stated above, the Underwriter, upon written notice delivered to the Village, may subsequently withdraw this offer.

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

“Act” means the Special Service Area Tax Law, 35 ILCS 200/27-5, *et seq.*, as amended and supplemented from time to time.

“Agreement” means this Bond Purchase Agreement.

“Agreement for Public Improvements” means that certain Agreement for Public Improvements dated _____, 2018 between the Village and the Developer.

“Ancillary Agreements” means the Bond Ordinance, the Establishing Ordinance, the Indenture, the Limited Offering Memorandum, the Continuing Disclosure Agreement, the Tax Agreement, the Agreement for Public Improvements, 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 on _____, 2018, providing for the issuance of the Bonds in the aggregate principal amount of [\$20,441,000].

“Bonds” means the interest-bearing, tax-exempt obligations issued by the Village pursuant to the Bond Ordinance called the Village of Gilberts, Kane County, Illinois Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018.

“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 _____, 2018 or such earlier or later date as the Village and the Underwriter 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 Developer and the Bonds are paid for by the Developer pursuant to this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“Consultant” means Municap, Inc.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated _____, 2018 among the Village, the Developer and the Trustee, as dissemination agent thereunder.

“Corporate Authorities” means the President and Board of Trustees of the Village.

“Developer” means Gilberts Development LLC, a Delaware limited liability company.

“Developer Agreements” means, collectively, this Agreement, the Agreement for Public Improvements, the Continuing Disclosure Agreement, and all other agreements and certificates executed and delivered by the Developer in connection with the issuance and sale of the Bonds.

“Developer Information” means, collectively, the information in the Limited Offering Memorandum contained under the captions “PLAN OF FINANCE”, “PROPOSED DEVELOPMENT”, “SITE PLAN”, “SUMMARY OF THE [AGREEMENT FOR PUBLIC IMPROVEMENTS]”, “SUMMARY OF THE APPRAISAL”, “RISK FACTORS (other than the information under the subheadings “Potential Delay and Limitations in Foreclosure Proceedings”, “Bankruptcy”, “Limitation on Remedies; No Acceleration”, “Loss of Tax Exemption” and “Risk of Legislative and Judicial Changes”) and “NO LITIGATION – The Developer”.

“Development Financing” means that certain \$2,000,000 [line of credit] [developer to confirm] issued to Developer by Texas Capital Bank as described in the Limited Offering Memorandum under the heading “PROPOSED DEVELOPMENT”.

“Establishing Ordinance” means Ordinance No. _____ adopted by the Corporate Authorities on February 27, 2018.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

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

“Homebuilder Contracts” means (i) that certain Lot Purchase Agreement, dated June 26, 2014, between Developer and NVR, Inc., a Virginia corporation, d/b/a Ryan Homes, as amended, (ii) that certain Lot Purchase Agreement, dated February 23, 2018, between Developer and NVR, Inc., a Virginia corporation, d/b/a Ryan Homes, and (iii) that certain Real Estate Sale Agreement, dated February 23, 2018, between Developer and Pulte Home Company, LLC, a Michigan limited liability company, as described in the Limited Offering Memorandum under the heading “PROPOSED DEVELOPMENT”.

“Indenture” means the Trust Indenture dated as of _____, 2018 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 October 4, 2017.

“MSRB” means the Municipal Securities Rulemaking Board.

“Special Taxes” means the Special Taxes pledged to the payment of the Bonds pursuant to the Bond Ordinance and the Indenture.

“Special Tax Roll and Report” means the Village of Gilberts Special Service Area Number Twenty-Five Special Tax Roll and Report dated October 3, 2017, including all exhibits attached thereto, prepared by the Consultant, as amended from time to time.

“Tax Agreement” means the Tax Compliance Certificate dated the Closing Date executed by the Village in connection with the Bonds.

“Trustee” means Amalgamated Bank of Chicago, Chicago, Illinois, a national banking association, as Trustee under the Indenture.

“Underwriter” means D.A. Davidson & Co.

“Village” means the Village of Gilberts, Kane County, Illinois.

Section 2. **Purchase, Sale and Offering of Bonds.** Based upon the terms and conditions and upon the representations, warranties and agreements set forth in this Agreement, the Underwriter agrees to purchase from the Village, and the Village agrees to sell and deliver to the Underwriter, all, but not less than all, of the \$[20,441,000], aggregate principal amount of Bonds, at a purchase price equal to \$[_____], which reflects an Underwriter’s discount of \$_____. The Bonds shall be issued pursuant to the Bond Ordinance and subject to the terms of

the Indenture. The Bonds shall be dated the date of issuance and shall mature, bear interest at the rates, be subject to mandatory and optional redemption on such dates and in such amounts, and be offered at the initial offering prices, all as described in the Limited Offering Memorandum, the Bond Ordinance, the Indenture and Exhibit A to this Agreement (with only such revisions as are approved by Underwriter in its sole and absolute discretion).

In connection with the initial sale and purchase of the Bonds, the Village acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's length commercial transaction between the Village and the Underwriter; (ii) in connection with the purchase and sale of the Bonds and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely in the role of an underwriter as a principal and the Underwriter is not acting as a municipal advisor, agent, advisor or fiduciary of the Village; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Village with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto and the Underwriter has no obligation to the Village with respect to the offering contemplated except the obligations expressly set forth in this Agreement, (iv) the Underwriter 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 MSRB rules, and (v) the Village has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

Section 3. Limited Offering Memorandum.

(a) Delivery and Use. The Village shall deliver, or cause to be delivered, to the Underwriter, promptly after the acceptance by the Village of this Agreement, five (5) copies of the Limited Offering Memorandum relating to the Bonds. The Village approves the Limited Offering Memorandum and its execution by its President and authorizes the distribution and use of copies of the Limited Offering Memorandum and the Indenture in connection with the offering and sale of the Bonds.

(b) Amendments or Supplements. If at or prior to the Closing, an event occurs affecting the Village that is materially adverse for the purpose for which the Limited Offering Memorandum is to be used and is not disclosed in the Limited Offering Memorandum, the Village shall promptly notify the Underwriter in writing of the details and circumstances of such event. If in the opinion of counsel to the Village and counsel to the Underwriter such event requires a supplement or amendment to the Limited Offering Memorandum, the Village shall supplement or amend the Limited Offering Memorandum in a form and in a manner approved by the Underwriter, counsel to the Underwriter and counsel to the Village. Such approval by the Underwriter and counsel to the Underwriter of a supplement or amendment to the Limited Offering Memorandum shall not preclude the Underwriter from thereafter terminating the obligations of the Underwriter under this Agreement in accordance with the provisions hereof, and if the Limited Offering Memorandum is amended or supplemented subsequent to the date hereof, the Underwriter may terminate its obligations under this Agreement by notification to the Village at any time prior to the Closing if, in the judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the market price of the Bonds, or for any reason otherwise permitted under this Agreement.

During the twenty-five (25) days following the Closing, if Rule 15c2-12(b)(4) as then in effect requires an Underwriter who sends a copy of the final Limited Offering Memorandum to a potential customer to send a copy that has been amended or supplemented so that it does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading in all material respects, and an event occurs that in the judgment of either the Village or the Underwriter requires an amendment or supplement to the Limited Offering Memorandum so that it does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading in all material respects, then the Village or the Underwriter if it has such knowledge shall so advise the other party hereto. In any such case, the Village shall cooperate in preparing and furnishing to the Underwriter either an amendment or supplement to the Limited Offering Memorandum so that, in the opinion of counsel to the Underwriter and counsel to the Village, the statements in the Limited Offering Memorandum, as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading in any material respect

(c) Rule 15c2-12. The Village agrees to provide to the Underwriter within seven (7) business days of the date of this Agreement or within a shorter amount of time so that the final Limited Offering Memorandum is available to accompany confirmation that the Underwriter send to its customers, sufficient copies of the Limited Offering Memorandum to enable the Underwriter to comply with the requirements of Rule 15c2-12(b)(4) of the Exchange Act and with the requirements of Rule G-32 of the MSRB.

Section 4. **Representations, Warranties and Agreements of the Village**. The Village represents and warrants to, and agrees with, the Underwriter that:

(a) Limited Offering Memorandum. As of the date of acceptance of this Agreement by the Village and on the date of the Closing, the information in the Limited Offering Memorandum (other than information contained under the captions “THE BONDS – Book Entry Only System,” “EXPECTED SPECIAL TAX AND DEBT SERVICE COVERAGE,” “RISK FACTORS” (other than the information contained under the captions “RISK FACTORS – Limited Source of Funds” and “ – Loss of Tax Exemption”), “TAX EXEMPTION,” “NO LITIGATION – The Developer” and “MISCELLANEOUS”) is, and at all times subsequent to the date of acceptance of this Agreement through and including twenty-five (25) days after the end of the underwriting period, as defined in Rule 15c2-12, will be true, correct and complete in all material respects; and such information in the Limited Offering Memorandum does not and at all times subsequent to the date of acceptance of this Agreement through and including twenty-five (25) days after the end of the underwriting period, as defined in Rule 15c2-12, will not include any untrue statement of a material fact or omit to state any material fact required to be stated in it or necessary in order to make the statements and information in it, in light of the circumstances under which they are or were made, not misleading.

(b) Litigation. Except as described in the Limited Offering Memorandum, there is no claim, action, temporary restraining order, injunction, suit, proceeding, inquiry or investigation at law or in equity, or before or by any court, governmental agency, public board, regulatory

agency or body pending or, to the best of its knowledge, threatened against or affecting the Village (i) which in any way contests or questions (A) the existence of the Village or the powers of the Village referred to in Section 4(d) herein, (B) the authority of the Village to collect the Special Taxes, or (C) the validity of the proceedings taken by the Village Board in connection with the issuance and sale of the Bonds, (ii) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Agreement or the Limited Offering Memorandum, or would in any way adversely affect the validity or enforceability of the Bonds, the Establishing Ordinance, the Bond Ordinance, this Agreement, the Indenture, any of the other Ancillary Agreements or any of the other or of any other instrument required or contemplated for use in consummating the transactions contemplated by those documents or in this Agreement or by the Limited Offering Memorandum, or the exemption from taxation of the interest on the Bonds as set forth in the Limited Offering Memorandum, (iii) contesting in any way the completeness or accuracy of the Limited Offering Memorandum, or (iv) wherein an unfavorable decision, ruling or finding could result in a material adverse change in the Special Taxes or financial condition of the Village.

(c) Existence. The Village is a municipal corporation and a home rule unit of the State of Illinois organized and validly existing under the Constitution and laws of the State of Illinois.

(d) Authority. Pursuant to the provisions of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois and the Act, the Village may exercise any power and perform any function pertaining to its government and affairs, including but not limited to, the power to incur debt. The Village has full legal right, power and authority (i) to adopt the Establishing Ordinance and the Bond Ordinance, (ii) to enter into and execute this Agreement, (iii) to approve and execute the Limited Offering Memorandum and authorize the use and distribution of the Limited Offering Memorandum, (iv) to issue, sell, execute and deliver the Bonds to the Underwriter as provided in this Agreement, and (v) except as may be described in the Limited Offering Memorandum, to carry out, give effect to and consummate the transactions contemplated by the Establishing Ordinance, the Bond Ordinance, this Agreement, the Limited Offering Memorandum and the other Ancillary Agreements to which the Village is a party. The Village has complied and will comply with all applicable provisions of law and has taken and will take all actions required to be taken by it in connection with the transactions contemplated by the aforesaid documents except as described in the Limited Offering Memorandum.

(e) Village Board. The officers executing the Bonds, this Agreement, the Limited Offering Memorandum, the Indenture and the other Ancillary Agreements to which the Village is a party, and the officers of the Village listed on the certificate of the Village to be delivered at the Closing, have been duly elected and are qualified to serve as such officers.

(f) Due Authorization of Bond Documents. The Village has duly authorized (i) the execution, making, delivery and due performance of its obligations under this Agreement, the Bonds, the Bond Ordinance, the Establishing Ordinance, the Indenture and the other Ancillary Agreements to which the Village is a party, and the execution, use and distribution of the Limited Offering Memorandum, and (ii) the taking of any such action as may be required on the part of the Village to carry out, give effect to and consummate the transactions contemplated by

such documents except as described in the Limited Offering Memorandum. The Village will take any and all actions required to be taken by it which are necessary or appropriate to consummate the transactions described in the aforesaid documents.

(g) Due Execution and Delivery of Bond Purchase Agreement. This Agreement has been duly executed and delivered by the Village and, if it is a valid and binding obligation of the Underwriter, it is a legal, valid and binding obligation of the Village enforceable in accordance with its terms subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, and to the exercise of judicial discretion in accordance with general principles applicable to equitable and similar remedies.

(h) Ordinances Valid. The Bond Ordinance and the Establishing Ordinance have been duly and validly adopted by the Village, are in full force and effect and constitute legal, valid and binding actions of the Village.

(i) Bonds Legal, Valid and Limited Special Obligations. The form, terms, execution and issuance of the Bonds have been duly and validly authorized and, when authenticated by the Trustee, as Bond Registrar for the Bonds and delivered and paid for on the date of Closing in accordance with the terms of this Agreement, will (i) have been duly authorized, executed and issued, and (ii) constitute legal, valid and binding limited obligations of the Village enforceable in accordance with their terms and entitled to the benefits and security of the Bond Ordinance and the Indenture, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, and subject to the exercise of judicial discretion in accordance with general principles applicable to equitable and similar remedies. The Bonds are limited obligations of the Village, payable from the Special Taxes and other moneys deposited in the funds and accounts established pursuant to the Indenture. Neither the Bonds nor the Bond Ordinance shall constitute 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.

(j) No Conflicts. The adoption of the Bond Ordinance and the Establishing Ordinance, the execution and delivery by the Village of this Agreement, the Bonds, the Limited Offering Memorandum, the Indenture and the other Ancillary Agreements to which the Village is a party, the compliance with the provisions of each of the aforesaid documents and the consummation of the transactions to be performed by the Village contemplated in those documents and in the Limited Offering Memorandum, do not and will not violate, conflict with or result in or constitute a breach of or default under any indenture, deed of trust, mortgage, guaranty, commitment, lease, agreement or other instrument to which the Village is a party or by which it or its property is bound, or conflict with or violate any applicable law, rule, regulation, judgment, court order or consent decree.

(k) Governmental Approvals in Connection with the Bonds. No approval, permit, consent, authorization or order of any court or any governmental or public agency, authority or person not already obtained (other than any approvals that may be required under blue sky or other securities laws and regulations of any state or other jurisdiction of the United States) is

required with respect to the Village in connection with the issuance and sale of the Bonds, the adoption of the Bond Ordinance or the execution and delivery by the Village of, or the performance by the Village of its obligations relating to the issuance and sale of the Bonds under this Agreement, the Bond Ordinance or the Indenture, and no taxes are payable by the Village in connection with any of the foregoing.

(l) Qualifications of Bonds under Blue Sky Laws. The Village will cooperate with the Underwriter and its counsel in endeavoring to qualify the Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may request; provided, however, that the Village will 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.

(m) Compliance with Continuing Disclosure. During the previous five (5) years, the Village has complied in all material respects with its continuing disclosure obligations except as set forth in the Limited Offering Memorandum.

(n) No Default. There has not been a default by the Village with respect to the payment of any indebtedness issued by and for the Village, secured either by its full faith and credit or the Special Taxes. No event of default under the Bond Ordinance or the Indenture has occurred or is continuing and no event has occurred which, with the lapse of time or the giving of notice, or both, would constitute such an event of default under any of such agreements.

(o) No Solicitation by Village. Neither the Village nor anyone acting on its behalf has, directly or indirectly, offered the Bonds for sale to, or solicited any offer to buy the same from, anyone other than the Underwriter and the Developer.

(p) Certificates and Representations. Any certificate signed by an authorized officer of the Village delivered to the Underwriter at the Closing shall be deemed a representation and warranty by the Village to the Underwriter as to the statements made in such certificate. The Village covenants that between the date hereof and the Closing it will not take any action that will cause the representations and warranties made herein to be untrue as of the Closing.

(q) Additional Indebtedness. Between the date of this Agreement and Closing, the Village will not, without the prior written consent of the Underwriter, issue any bonds, certificates, notes or other obligations for borrowed money payable from the Special Taxes; and, subsequent to the respective dates as of which information is given in the Limited Offering Memorandum and up to and including the date of the Closing, the Village will not incur any material liabilities with respect to the Village other than those occurring in the ordinary course of operating the Village, direct or contingent, nor will there be any action, or any failure to act, on the part of the Village which would result in an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Village, except as described in the Limited Offering Memorandum.

(r) 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 the Indenture 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. The Village shall comply with the provisions and terms set forth in the Tax Agreement.

(s) No Liens or Encumbrances. Other than as specifically set forth in the Limited Offering Memorandum, there are no existing liens, claims, charges or encumbrances on or rights to any funds, revenues or interests pledged pursuant to the Bond Ordinance 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 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.

Section 5. **Representations, Warranties and Agreements of the Developer.** The Developer represents and warrants to, and agrees with, the Underwriter that:

(a) Organization. The Developer is a corporation duly organized and in good standing under the laws of the State of Delaware. The Developer is duly authorized and has full power under all applicable laws and its Articles of Incorporation and by-laws to enter into, execute and deliver the Developer Agreements.

(b) Authority. The execution and delivery of the Developer Agreements on the Developer’s part have been duly authorized by all necessary corporate action, and neither the Developer’s execution and delivery of the Developer Agreements, the Developer’s consummation of the transactions contemplated on its part thereby, nor the Developer’s fulfillment of or compliance with the terms and conditions thereof, conflicts with or results in a breach of its Articles of Incorporation, by-laws or any material agreement or instrument to which the Developer is now a party or by which it is bound (except for any such breaches for which the Developer has obtained a waiver or a required consent), or constitutes a default (or would constitute a default with due notice or the passage of time or both) under any of the foregoing.

(c) Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending with respect to which the Developer has been served with process or is otherwise aware, or, to the knowledge of the Developer, threatened against the Developer (i) in any way questioning the due formation and valid existence of the Developer, (ii) in any way contesting or affecting the validity or enforceability of the Developer Agreements or the consummation of the transactions contemplated thereby, or (iii) which would have a material adverse effect on the financial condition of the Developer or the ability of the Developer to develop the Special Service Area.

(d) Binding Obligations. This Agreement is, and, upon their execution and delivery, the other Developer Agreements will be, the legal, valid and binding obligations of the

Developer, enforceable in accordance with their respective terms subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of credits' rights generally from time to time in effect and to applicable legal principles and procedural requirements if equitable and other specific remedies are sought.

(e) Limited Offering Memorandum. As of the date of acceptance of this Agreement by the Village and on the date of the Closing, the Developer Information is, and at all times subsequent to the date of acceptance of this Agreement through and including twenty-five (25) days after the end of the underwriting period, as defined in Rule 15c2-12, will be true, correct and complete in all material respects; and the Developer Information does not and at all times subsequent to the date of acceptance of this Agreement through and including twenty-five (25) days after the end of the underwriting period, as defined in Rule 15c2-12, will not include any untrue statement of a material fact or omit to state any material fact required to be stated in it or necessary in order to make the statements and information in it, in light of the circumstances under which they are or were made, not misleading.

Section 6. **Closing**. The purchase and sale of the Bonds shall take place on the Closing Date at the offices of Foley & Lardner, LLP, Chicago, Illinois. At the Closing, as defined below, the Underwriter 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."

Section 7. **Conditions of Underwriter's Obligations**. The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Village and the Developer made herein, and the performance by the Village and the Developer of their respective obligations hereunder, both as of the date of this Agreement and as of the date of Closing. The Underwriter's obligations under this Agreement are and shall be subject to the following further conditions:

(a) Conditions with Respect to the Limited Offering Memorandum. Subsequent to (a) the date of this Agreement or (b) the respective dates as of which information is given in the Limited Offering Memorandum, whichever is earlier with regard to the particular information, there shall not have been any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, financial condition or properties of the Village or the Developer, which change or development makes it impractical or inadvisable in the reasonable judgment of the Underwriter to proceed with the offering or the delivery of the Bonds as contemplated by this Agreement and/or the Limited Offering Memorandum.

(b) Conditions at or Prior to Closing. Receipt by the Underwriter of the following documents at or prior to the Closing:

- (i) the approving opinion of Foley & Lardner, Chicago, Illinois (“**Bond Counsel**”), dated the date of Closing and substantially in the form attached as Appendix C to the Limited Offering Memorandum;
- (ii) the supplemental opinion of Bond Counsel, dated the date of Closing and in the form acceptable to Bond Counsel, the Underwriter, Underwriter’s Counsel (as hereinafter defined) and counsel to the Village;
- (iii) the opinion of [Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer], counsel to the Village, dated as of the date of Closing, in the form attached hereto as Exhibit C;
- (iv) the opinion of Bryan Cave Leighton Paisner LLP, Chicago, Illinois (“**Underwriter’s Counsel**”), dated the date of Closing, in the form acceptable to the Underwriter;
- (v) the opinion of Zanck, Cohen, Wright & Saladin, P.C., Crystal Lake, Illinois, counsel to the Developer, dated as of the date of Closing, in the form attached hereto as Exhibit D, together with the Developer’s certificate attached thereto;
- (vi) a certificate, dated the date of Closing, signed on behalf of the Village by the President and satisfactory to the Underwriter;
- (vii) a certified copy of the transcript of all proceedings of the Village relating to the authorization and issuance of the Bonds, including certified copies of the Bond Ordinance and the Establishing Ordinance;
- (viii) three copies of the Limited Offering Memorandum and this Agreement, duly executed by the signatories to them;
- (ix) a copy of the Special Tax Report and Rate and Method of Apportionment prepared by the Consultant and substantially in the form attached to the Limited Offering Memorandum as Appendices A and E thereto respectively;
- (x) a certificate from the Consultant dated the Closing Date, addressed to the Underwriter regarding the Consultant’s qualifications, the Consultant’s consent to the inclusion of the Special Tax Report and Rate and Method of Apportionment in the Limited Offering Memorandum and the Consultant’s certification as to the accuracy of the portion of the Limited Offering Memorandum under the heading “EXPECTED SPECIAL TAX AND DEBT SERVICE COVERAGE”;
- (xi) a certified copy of the [Agreement for Public Improvements];
- (xii) a certificate of the Developer dated the Closing Date, addressed to the Underwriter, signed by an authorized officer of the Developer and in form and substance satisfactory to the Underwriter;

(xiii) a certificate dated the Closing Date of an authorized officer of the Trustee, addressed to the Underwriter acceptable in form and substance to the Underwriter, indicating, among other things, that the Developer has surrendered the Prior Bonds to the Trustee for cancellation;

(xiv) any other documents, opinions, certificates and items required by the Bond Ordinance, the Indenture or any of the other Ancillary Agreements;

(xv) a copy of the executed Information Return for Tax-Exempt Governmental Obligations, Form 8038-G relating to the Bonds;

(xvi) evidence, acceptable to the Underwriter in its sole discretion, that all contingency periods and termination rights of the purchaser under the Homebuilder Contracts have expired or have been waived and that the Homebuilder Contracts remain in full force and effect;

(xvii) evidence, acceptable to the Underwriter in its sole discretion, that Developer has procured the Development Financing;

(xviii) a certificate from _____ (the "Appraiser") dated the Closing Date, addressed to the Underwriter regarding the Appraiser's qualifications, the Appraisers's consent to the inclusion of the appraisal in the Limited Offering Memorandum and the Appraiser's certification as to the accuracy of the portion fo the Limited Offering Memorandum under the heading "SUMMARY OF THE APPRAISAL"; and

(xix) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, Underwriter's Counsel or Bond Counsel may reasonably request.

(c) Conditions at Closing. At the time of Closing, (i) this Agreement, the Limited Offering Memorandum, the Establishing Ordinance, the Bond Ordinance, the Indenture and the other Ancillary Agreements shall have been executed and shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and (ii) the Village shall have duly adopted and there shall be in full force and effect such ordinances as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by this Agreement.

(d) Condition of Approval by Underwriter. All of the opinions, letters, certificates, instruments, reports and other documents mentioned in this Agreement shall be deemed to be in compliance with the provisions of this Agreement if, but only if, in the reasonable judgment of the Underwriter they are satisfactory in form and substance.

(e) Failure to Satisfy Conditions. If there shall be a failure to satisfy the conditions to the Underwriter's obligations contained in this Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate

and the Underwriter, the Developer and the Village shall not have any further obligation hereunder except as provided in Section 9.

Section 8. **Termination and Suspension.**

(a) The Underwriter shall have the right to terminate this Agreement by notification to the Village and the Developer from the Underwriter of the election of the Underwriter to do so if, after the execution hereof and prior to the Closing:

(i) an event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Limited Offering Memorandum or which is not reflected in the Limited Offering Memorandum but should be reflected therein in order to make the statements contained therein not misleading in any material respect and, in either such event, (a) the Village refuses to permit the Limited Offering Memorandum to be supplemented to supply such statement or information or (b) the effect of the Limited Offering Memorandum as so supplemented is, in the judgment of the Underwriter, to materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices (or yields), by the Underwriter of the Bonds; or

(ii) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by the State of Illinois, either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) 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 Senate 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 or 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 Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the taxation of interest received on obligations of the general character of the Bonds which, in the opinion of the Underwriter, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices (or yields), by the Underwriter of the Bonds; or

(iii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission (the “*SEC*”) or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Bonds is in violation or would be in violation of any provisions of the Securities Act of 1933, as amended (the “*Securities Act*”), the Exchange Act or the Trust Indenture Act of 1939, as amended (the “*Trust Indenture Act*”); or

(iv) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Limited Offering Memorandum or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(v) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the reasonable judgment of the Underwriter, impractical or inadvisable to proceed with the offering of the Bonds as contemplated in the Limited Offering Memorandum; or

(vi) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the SEC or any other governmental agency having jurisdiction or any national securities exchange shall have: (i) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Bonds or similar obligations; or (ii) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of Underwriter or broker-dealers such as to make it, in the judgment of the Underwriter, impractical or inadvisable to proceed with the offering of the Bonds as contemplated in the Limited Offering Memorandum; or

(vii) a general banking moratorium shall have been declared by federal, State of New York or State of Illinois state authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred such as to make it, in the judgment of the Underwriter, impractical or inadvisable to proceed with the offering of the Bonds as contemplated in the Limited Offering Memorandum.

(b) The Underwriter has the right to temporarily suspend its obligations under this Agreement to accept delivery of and to pay for the Bonds by notifying the Village and the Developer, in writing, of the occurrence of (i) a material disruption in securities settlement, payment or clearance services in the United States, or (ii) any change in the financial markets or any calamity or crisis, that, in the Underwriter's reasonable judgment, is material and adverse with respect to the acceptance, delivery of and payment for the Bonds and as a result of such change, calamity or crisis, the Underwriter is unable to fulfill its obligations hereunder. The Underwriter's notice shall include a description of the factual basis underlying such temporary suspension of the Underwriter's obligations under this Agreement. Any suspension of the Underwriter's obligations pursuant to this Section 8(b) shall remain in effect for the earlier of

five (5) business days or such date by which, in the Underwriter's reasonable judgment, such factual basis has expired or passed and the Underwriter is capable of performing its obligations under this Agreement.

Section 9. **Payment of Expenses.** The Village shall cause the Trustee to pay from the proceeds of the Bonds any expenses incident to the performance of the Village's obligations hereunder, including but not limited to (i) the expenses of the Village and any expenses incurred by the Underwriter on behalf of the Village's employees which are incidental to implementing this Agreement, (ii) the cost of the preparation (including printing and duplicating) of the Bond Ordinance, this Agreement and the Limited Offering Memorandum and any amendment or supplement to it (in such reasonable quantities as may be requested by the Underwriter), (iii) the cost of the preparation, printing, execution, authentication and delivery of the Bonds, (iv) the legal fees and disbursements of Bond Counsel, (v) the Underwriter's fee in the amount equal to _____ percent (____%) of the maximum principal amount of the Bonds; (vi) the initial fees of the Bond Registrar and Paying Agent, (vii) the fees and disbursements of the accountants and advisors of the Village and of any consultants retained by the Village and (viii) the fees and disbursements of any other counsel, experts or consultants retained by the Village, and any other expenses incurred in connection with the issuance of the Bonds not specifically assumed by the Underwriter hereunder.

Section 10. **Nature of Obligations of the Village.** Any officer of the Village executing the Bonds shall not be liable personally on the Bonds, nor, as such, be subject to any personal liability or accountability by reason of the issuance thereof, or by reason of the representations, warranties, covenants, obligations or agreements of the Village contained in this Agreement, absent fraudulent conduct.

Section 11. **Notices.** Any notices or other communications to be given under this Agreement may be given by delivering the same in writing as follows:

- (a) As to the Village:
Village President and Board of Trustees
Village of Gilberts
87 Galligan Road
Gilberts, Illinois 60136
Attention: Village Administrator
- (b) As to the Underwriter:
D.A. Davidson & Co.
30 North LaSalle Street, Suite 1600
Chicago, Illinois 60602
Attention: Peter Raphael
- (c) As to the Developer:
Gilberts Development LLC

Section 12. **Establishment of Issue Price.**

(a) The Underwriter agrees to assist the Village in establishing the issue price of the Bonds and shall execute and deliver to the Village at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Village and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. The Bonds are being issued as a single maturity.

(b) The Village will treat the first price at which ten percent (10%) of the sole maturity of the Bonds (the “**10% Test**”) is sold to the public as the issue price of that maturity (if different interest rates apply within such maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). At or promptly after the execution of this Agreement, the Underwriter shall report to the Village the price or prices at which it has sold the Bonds to the public. If at that time the 10% Test has not been satisfied as to the Bonds, the Underwriter agrees to promptly report to the Village the prices at which it sells the unsold Bonds to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until the 10% Test has been satisfied as to the Bonds or until all Bonds have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Agreement at the initial offering price of \$_____ (the “**initial offering price**”). There are no Bonds for which the 10% Test has not been satisfied.

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (1) “public” means any person other than an underwriter or a related party,
- (2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least fifty percent (50%) common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than fifty percent (50%) common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one

partnership of another), or (iii) more than fifty percent (50%) common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(4) “sale date” means the date of execution of this Agreement by all parties.

Section 13. **Parties in Interest and Survival of Representations.** This Agreement is made solely for the benefit of the Village, the Developer and the Underwriter (including the successors or assigns of the Village, the Developer and the Underwriter), and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue of it. All of the representations, warranties and agreements of the Village contained in this Agreement are made solely for the benefit of the Village, the Developer and the Underwriter (including the successors or assigns of the Village, the Developer and the Underwriter) and shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

Section 14. **Miscellaneous.**

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

(b) Manner of Approval by Underwriter. The approval of the Underwriter when required under this Agreement or the determination of the Underwriter’s satisfaction (in the Underwriter’s reasonable judgment) as to the form and substance of any document referred to herein shall be in writing, signed by the Underwriter and delivered to the Village.

(c) Severability. If any section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other section, paragraph or provision of it.

(d) Headings. The headings of the sections and subsections of this Agreement are inserted for convenience or reference only and shall not be deemed as a part of it.

(e) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(f) Expenditure of Village Funds. This Agreement does not authorize an expenditure of Village funds in excess of the amount authorized by the Village Board pursuant to the Bond Ordinance unless the Village Board specifically approves an additional expenditure. The Underwriter agrees and acknowledges that absent such prior approval, they proceed at their own risk with no guarantee of payment if the amount billed to the Village exceeds the amount authorized by the Village Board of Trustees.

(signature page follows)

D.A. DAVIDSON & CO.,
as the Underwriter

By: _____
Its Managing Director

GILBERTS DEVELOPMENT LLC, a
Delaware limited liability company

By: _____
Its: _____

Accepted by:

VILLAGE OF GILBERTS,
KANE COUNTY, ILLINOIS

By: _____
President

Dated: _____, 2018

Exhibit A

Village of Gilberts
Kane County, Illinois
Special Service Area Number Twenty-Five
Special Tax Bonds, Series 2018 (The Conservancy Project)

MATURITY SCHEDULE

\$ _____ % Bonds due March 1, 2033 at Price of ____% to Yield ____%; CUSIP[†] _____

\$ _____ % Bonds due March 1, 2048 at Price of ____% to Yield ____%; CUSIP _____

Redemption Provisions

[to be inserted from Indenture]

Exhibit B

Issue Price Certificate

October 12, 2017

The undersigned, on behalf of D.A. Davidson & Co. (the “Underwriter”), hereby certifies as set forth below in connection with the issuance on the date hereof by the Village of Gilberts, Kane County, Illinois (the “Village”) of its Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (the “Bonds”) in the aggregate principal amount of [\$20,441,000].

1. **Sale of the Bonds.** As of the date of this Issue Price Certificate, for each Maturity of the Bonds, the first price at which at least ten percent (10%) of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A hereto.

2. **Defined Terms.**

(a) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this Issue Price Certificate are limited to factual matters only. Nothing in this Issue Price Certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied on by the Village with respect to certain of the representations set forth in the Tax Compliance Certificate to which this Issue Price Certificate is attached and with respect to compliance with the federal income tax rules affecting the Bonds, and by Foley & Lardner LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Village from time to time relating to the Bonds.

IN WITNESS WHEREOF, the undersigned, on behalf of the Underwriter, has set his or her hand as of the date first written above.

D.A. DAVIDSON & CO.

By _____
Name _____
Title _____

SCHEDULE A
TO ISSUE PRICE CERTIFICATE

SALE PRICES

[Attached]

Exhibit B – Form of Issue Price Certificate

Exhibit C

Form of Opinion of Village Counsel

Village of Gilberts, Illinois
87 Galligan Road
Gilberts, Illinois 60136

D.A. Davidson & Co.
30 North LaSalle Street, Suite 1600
Chicago, Illinois 60602

Re: [\$20,441,000] Village of Gilberts, Kane County, Illinois Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018

Ladies and Gentlemen:

We have served as counsel for the Village of Gilberts, Kane County, Illinois (the “*Village*”) in connection with the execution and delivery of the Bond Purchase Agreement dated _____, 2018 (the “*Purchase Agreement*”) by and among the Village, Gilberts Development LLC, a Delaware limited liability company (the “*Developer*”) and D.A. Davidson & Co. (the “*Underwriter*”), providing for the purchase by the Underwriter of the Village of Gilberts, Kane County, Illinois Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (the “*Bonds*”) issued pursuant to a Trust Indenture dated as of _____, 2018 (the “*Trust Indenture*”) between the Village and Amalgamated Bank of Chicago, as trustee (the “*Trustee*”). Terms used but not defined herein shall have the meanings ascribed thereto in the Purchase Agreement. This opinion is being delivered to you at the express direction of the Village and pursuant to the Purchase Agreement.

In such capacity, we have examined the following:

- (a) the Purchase Agreement;
- (b) the Limited Offering Memorandum of the Village dated _____, 2018 relating to the Bonds (the “*Limited Offering Memorandum*”);
- (c) the Trust Indenture;
- (d) the Bonds;
- (e) the Continuing Disclosure Agreement dated _____, 2018 (the “*Continuing Disclosure Agreement*”) executed and delivered by the Village, the Developer and the Trustee, as the Dissemination Agent thereunder;
- (f) the Agreement for Public Improvements dated _____, 2018 (the “*Agreement for Public Improvements*”) executed and delivered by the Village and the Developer;
- (g) the Tax Compliance Certificate dated _____, 2018 of the Village (the “*Tax Compliance Certificate*”);

Exhibit C – Form of Opinion of Village Counsel

- (h) Ordinance No. _____ adopted by the Corporate Authorities of the Village on February 27, 2018 (the “*Establishing Ordinance*”);
- (i) Ordinance No. _____ adopted by the Corporate Authorities of the Village on _____, 2018 relating to the Bonds (the “*Bond Ordinance*”); and
- (j) such other documents as we have deemed necessary to render this opinion.

The Purchase Agreement, the Limited Offering Memorandum, the Continuing Disclosure Agreement, the Trust Indenture, the Agreement for Public Improvements and the Tax Compliance Certificate are hereafter collectively referred to as the “*Village Agreements*”.

As counsel to the Village, we advised the Village as to applicable requirements and performed other legal services necessary in order to enable us to render the opinions set forth below. Additionally, we participated in reviews and discussions with representatives of the Underwriter, Bond Counsel and the Trustee relating to the Limited Offering Memorandum.

For the purposes of this opinion, we have assumed that:

(i) The execution and delivery of all documents reviewed by us, and the entry into and performance of the transactions contemplated by the Village Agreements by all parties other than the Village have been duly authorized by all necessary actions and that said agreements constitute the valid and binding obligations of all parties other than the Village.

(ii) All natural persons who are signatories to the Village Agreements on behalf of parties other than the Village were legally competent at the time of execution.

(iii) All signatures on behalf of parties other than the Village on said agreements and other documents reviewed by us are genuine.

(iv) The copies of all documents submitted to us are accurate and complete and conform to originals.

Based upon our familiarity with the Village, and the proceedings, showings and related matters of law with respect to the foregoing, but subject to the assumptions set forth herein, we are of the opinion that:

1. The Village is a municipal corporation duly organized and validly existing under the laws of the State of Illinois, and has full legal right, power and authority to adopt the Establishing Ordinance and the Bond Ordinance, and to enter into, execute and deliver the Village Agreements, to consummate all transactions contemplated thereby, and to issue and sell the Bonds for the purposes described in the Limited Offering Memorandum.

Exhibit C – Form of Opinion of Village Counsel

2. Each of the members or officers of the Village executing the Village Agreements and other closing documents executed in connection with the delivery of the Bonds has been duly authorized to do so.

3. The Establishing Ordinance and the Bond Ordinance were duly authorized and adopted by the Village at a meeting of the Corporate Authorities of the Village, which was called and held pursuant to law and with the public notice required by law and at which a quorum was present and acting throughout and such Ordinances are in full force and effect, and have not been amended, modified, revoked, repealed or supplemented since the respective date thereof.

4. Each of the Village Agreements has been duly authorized by all necessary action on the part of the Village, has been duly executed and delivered by authorized officers of the Village and constitute legal, valid and binding obligations of the Village enforceable against the Village in accordance with their respective terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights and by the availability of equitable remedies.

5. The Limited Offering Memorandum has been duly executed and delivered by the Village. The use by the Underwriter of the Limited Offering Memorandum in connection with the offer and sale of the Bonds has been authorized and ratified by the Village.

6. The Bonds have been duly authorized by all necessary action on the part of the Village, have been duly executed by the authorized officers of the Village and have been validly issued by the Village and constitute the legal, valid and binding obligations of the Village enforceable against the Village in accordance with their terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and by the availability of equitable remedies.

7. Other than as set forth in the Limited Offering Memorandum, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or by any court, public board or body pending with respect to which the Village has been served with process or is otherwise aware, or, to our knowledge, threatened against or affecting the Village, or, to our knowledge, is there any basis for any such action, suit, proceeding or investigation in any way (i) contesting or affecting the proceedings under which the Bonds are to be issued and delivered; (ii) contesting or affecting the collection, application or validity of the Special Taxes; (iii) contesting or affecting the creation, organization, existence or powers of the Village, or the titles of the President, Trustees and officers to their respective offices; (iv) which seeks to enjoin or restrain the issuance, sale and delivery of the Bonds; (v) questioning or affecting any of the rights, powers, duties or obligations of the Village with respect to the Special Taxes or the monies and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Bonds; (vi) questioning or affecting any authority for the issuance of the Bonds, or the validity or enforceability of the Bonds; or (vii) questioning or affecting any of the Village Agreements, the Establishing Ordinance, the Bond Ordinance or the transactions contemplated by the Village Agreements, the Establishing Ordinance or the Bond Ordinance.

Exhibit C – Form of Opinion of Village Counsel

8. The authorization, execution and delivery by the Village of the Village Agreements do not, and the compliance with the provisions thereof by the Village, under the circumstances contemplated therein, will not, in any material respect, conflict with or constitute on the part of the Village a breach of or default under any agreement to which the Village is a party under any law, regulation, order, ordinance or consent decree of any court or governmental tribunal to which the Village is subject.

9. To our knowledge, the adoption of the Establishing Ordinance and the Bond Ordinance, the execution and delivery by the Village of the Bonds and compliance by the Village with the provisions thereof, under the circumstances contemplated thereby, do not and will not violate any applicable judgment, order or regulation of any court or of any public or governmental agency or authority of the State of Illinois and will not conflict with, or result in a breach of, any of the terms and provisions of, or constitute a default under, any existing law, court or administrative regulation, decree, order or any agreement, indenture, mortgage, lease or other instrument to which the Village is subject or by which it is or may be bound.

10. Based upon our familiarity with the Village to the extent of our capacity as counsel to the Village, our involvement in the negotiation of the Village Agreements and the issuance of the Bonds by the Village, nothing has come to our attention and we have no reason to believe that the information contained in the Limited Offering Memorandum in or under the captions “INTRODUCTORY STATEMENT,” “THE BONDS” (other than information under the sub-caption “– Book Entry Only System”), “PLAN OF FINANCE,” “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS,” “SUMMARY OF THE AGREEMENT FOR PUBLIC IMPROVEMENTS,” “THE VILLAGE,” “THE SPECIAL AREA AND SPECIAL TAX,” “RISK FACTORS – Limited Source of Funds” and “– Loss of Tax Exemption,” “LEGAL OPINIONS,” “CONTINUING DISCLOSURE,” “NO LITIGATION – The Village,” “NO BOND RATING” and “AUTHORIZATION” and in Appendix F thereto (except with respect to financial information and statistical data contained therein, as to which we express no opinion), contains any untrue statement of a material fact or omits any material fact that is necessary to be stated therein in order to make the statements therein, in light of the circumstances in which they were made, not misleading.

This opinion is limited to the matters set forth herein. No opinion may be inferred or implied beyond the matters expressly contained herein. This opinion is rendered solely for the benefit of the persons or entities to whom it is addressed and no other person or entity shall be entitled to rely on any matters set forth herein without the express written consent of the undersigned.

Exhibit D

Form of Opinion of Developer's Counsel

Village of Gilberts, Illinois
87 Galligan Road
Gilberts, Illinois 60136

D.A. Davidson & Co.
30 North LaSalle Street, Suite 1600
Chicago, Illinois 60602

Re: [\$20,441,000] Village of Gilberts, Kane County, Illinois Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018

Ladies and Gentlemen:

We have acted as counsel to CalAtlantic Group, Inc., a Delaware corporation (the "**Developer**"), in connection with the purchase of certain Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (the "**Bonds**"), issued by the Village of Gilberts, Kane County, Illinois ("**Village**") pursuant to a Trust Indenture dated as of _____, 2018 (the "**Trust Indenture**") between the Village and Amalgamated Bank of Chicago, as trustee (the "**Trustee**"), which Bonds relate to the Village of Gilberts Special Service Area Number Twenty-Five (the "**Development**"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "**Bond Purchase Documents**":

- (1) the Bond Purchase Agreement dated _____, 2018 (the "**Bond Purchase Agreement**") by and among the Village, the Developer and D.A. Davidson & Co. (the "**Underwriter**");
- (2) the Continuing Disclosure Agreement dated _____, 2018 (the "**Continuing Disclosure Agreement**") executed and delivered by the Village, the Developer and the Trustee, as the Dissemination Agent thereunder;
- (3) the Agreement for Public Improvements dated _____, 2018 (the "**Agreement for Public Improvements**") executed and delivered by the Village and the Developer; and
- (4) Certificate of the Developer dated _____, 2018 (the "**Developer Certificate**"); and

The Bonds are being sold to the Underwriter, pursuant to the Bond Purchase Agreement. This opinion is being delivered pursuant to Section 7(b)(v) of the Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined shall have the respective meanings given to them in the Bond Purchase Agreement, the Indenture or in the Limited Offering Memorandum of the Village dated _____, 2018, relating to the Bonds (the "**Limited Offering Memorandum**"), as the context or reference dictates.

For the purposes of this opinion, we have assumed that:

Exhibit D – Form of Opinion of Developer's Counsel

(a) The execution and delivery of the Bond Purchase Documents, and the entry into and performance of the transactions contemplated by the Bond Purchase Documents, by all parties other than Developer have been duly authorized by all necessary actions; the Bond Purchase Documents constitute the valid and binding obligations of all parties other than Developer.

(b) All natural persons who are signatories to the Bond Purchase Documents were legally competent at the time of execution; all signatures (except those of Developer) on the Bond Purchase Documents and other documents reviewed by us are genuine; the copies of all documents submitted to us are accurate and complete and conform to originals.

(c) The parties to the Bond Purchase Documents (other than Developer) are in compliance with all applicable laws, rules and regulations governing the conduct of their business in this transaction; the Bond Purchase Documents will be enforced in circumstances and in a manner which are commercially reasonable; and the parties to the Bond Purchase Documents (other than Developer) are not subject to any statutes, rule or regulation or any impediment that requires them to obtain the consent of, or to make any declarations or filing with, any governmental authority in connection with the transactions contemplated by the Bond Purchase Documents.

Based on the foregoing, but subject to the assumptions, qualifications and limitations set forth herein, we are of the opinion that:

1. Developer is a corporation duly organized and validly existing under the laws of the State of Delaware and is qualified to do business in the State of Illinois.

2. The execution and delivery by Developer of (i) the Bond Purchase Agreement, (ii) the Agreement for Public Improvements, and (iii) all other Bond Purchase Documents and the performance of Developer's obligations under any and all of the foregoing will not conflict with or result in a violation of, or breach of or a default under (a) the Articles of Incorporation or, to our knowledge, the By-laws of Developer or (b) to our knowledge, any order, rule or regulation of any court or other governmental body having jurisdiction over Developer, the conflict, violation or breach of which, in the case of clause (b) would have a material adverse effect on the ability of Developer to perform its obligations under the documents described in clauses (i) through (iii) of this Paragraph 2 or the development, use, occupancy or operation of the Development or any portion thereof by Developer.

3. Except as disclosed in the Limited Offering Memorandum, there are to our knowledge no actions, suits or proceedings pending or threatened, against Developer or the Development in any court of law or in equity, or before or by any instrumentality, that if determined adversely to Developer, would have a material adverse effect upon (i) the ability of Developer to perform any of its obligations under the Bond Purchase Documents to which it is a party, or (ii) the development, construction, use, occupancy or operation of the Development or any portion thereof.

4. The Bond Purchase Documents to which Developer is a party have been duly authorized, executed and delivered by Developer, and each of the Bond Purchase Documents to

Exhibit D – Form of Opinion of Developer's Counsel

which Developer is a party is enforceable against Developer in accordance with its respective terms, except that:

- a. such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditor's rights in general;
- b. the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any such proceedings therefor may be brought;
- c. the enforceability of certain provisions thereof may be limited by equitable considerations;
- d. any confession of judgment and indemnity provisions contained therein may be unenforceable for reasons of public policy under applicable law or judicial decision; and
- e. the enforceability of certain provisions thereof may be limited by certain constitutional provisions, laws and judicial decisions governing the same.

5. In connection with our review of the Limited Offering Memorandum, although we have not independently verified and do not pass upon, and do not assume responsibility for the accuracy, completeness or fairness of the statements contained in the Limited Offering Memorandum, except as set forth above, nothing has come to our attention that would lead us to believe that the Limited Offering Memorandum as of its date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. To the extent of our capacity as counsel to the Developer and our involvement in the negotiation of the Bond Purchase Documents, nothing has come to our attention and we have no reason to believe that the information contained in the Limited Offering Memorandum in or under the captions "PLAN OF FINANCE", "PROPOSED DEVELOPMENT", "SUMMARY OF THE AGREEMENT FOR PUBLIC IMPROVEMENTS", and "NO LITIGATION – The Developer" contains any untrue statement of a material fact or omits any material fact that is necessary to be stated therein in order to make the statements therein, in light of the circumstances in which they were made, not misleading.

The foregoing opinions are limited and qualified in that wherever we indicate that our opinion with respect to the existence or absence of facts is based on our knowledge, our opinion is based on (a) our current actual knowledge of the transactions contemplated by the Bond Purchase Agreement and the other Bond Purchase Documents to which Developer is a party; (b) the representations and warranties contained in the Bond Purchase Agreement and the other Bond Purchase Documents to which Developer is a party, and (c) the Developer Certificate, which is attached hereto and incorporated herein by reference. Except as otherwise indicated herein, we have made no independent investigation as to such factual matters and disclaim any

Exhibit D – Form of Opinion of Developer's Counsel

responsibility to do so. However, we have no actual knowledge of any facts which lead us to believe such factual matters are untrue or inaccurate.

We express no opinion as to the validity or enforceability of any provision of the Bond Purchase Documents to which Developer is a party which (i) purports to waive any requirement of diligent performance, notice or other procedure (statutory or otherwise) on the part of anyone other than Developer; or (ii) purports to waive or limit the right to assert any claims, defenses, charges or set-offs which Developer may have at law or in equity; or (iii) provides that waivers, consents, amendments, or modifications must be in writing; or (iv) provides that certain actions or inactions by anyone other than Developer will not constitute a waiver; or (v) provides that any obligations of Developer will not be affected by amendments, changes; or modifications in any of the Bond Purchase Documents; or (vi) provides that Developer shall indemnify anyone for any matter without regard to such party's negligence or wrongful actions with regard to such matter; provided, however, the invalidity or unenforceability of any such provision would not, in our opinion, render the Bond Purchase Documents invalid as a whole, and there exists in the Bond Purchase Documents or pursuant to applicable law legally adequate remedies for the practical realization of the principal benefits and security provided by the Bond Purchase Documents.

We are not authorized to practice in any state other than Illinois. The opinions expressed herein are limited to Illinois law and federal law, except as to blue sky, tax or securities laws and regulations or as otherwise set forth herein, and we express no opinion with reference to the law of any other state. We are counsel to Developer in the State of Illinois only, and we have not made any searches or other investigations in any state other than Illinois with respect to the opinions expressed in Paragraph 3 above. We have relied on the Developer Certificate with respect to any actions, suits or proceedings pending or threatened in any state other than Illinois and with respect to the due organization and existence of Developer in the State of Delaware. This opinion is rendered as of the date hereof, and we undertake no duty to update this opinion for any reason, including changes in applicable law.

This opinion is issued at Developer's request for the benefit of the Village and the Underwriter and it may not be disclosed to or relied upon by any other person.

Sincerely,

ZANCK, COHEN, WRIGHT & SALADIN, P.C.

**CONTINUING DISCLOSURE AGREEMENT
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF RULE 15C2-12**

THIS CONTINUING DISCLOSURE AGREEMENT (this “*Agreement*”) is executed and delivered this __ day of _____, 2018 by and among the **VILLAGE OF GILBERTS, KANE COUNTY, ILLINOIS** (the “*Issuer*”), **GILBERTS DEVELOPMENT LLC**, a Delaware limited liability company (the “*Developer*”), and **AMALGAMATED BANK OF CHICAGO**, as dissemination agent (the “*Dissemination Agent*”), in connection with the issuance by the Issuer of its \$20,441,000 Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (The Conservancy Project) (the “*Bonds*”). The Bonds are being issued pursuant an ordinance adopted on _____, 2018 by the President and Board of Trustees of the Issuer (the “*Ordinance*”) and a Trust Indenture dated as of _____, 2018 (the “*Indenture*”) between the Issuer and Amalgamated Bank of Chicago, as trustee. The Bonds will be as described in, and secured pursuant to, the Ordinance and the Indenture.

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer, the Developer and the Dissemination Agent covenant and agree as follows:

1. **PURPOSE OF THIS AGREEMENT.** The Bonds are being issued in authorized denominations of \$100,000 and integral multiples of \$1,000.00 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 exemption from Rule 15c2-12, the Issuer and the Developer are entering into this Agreement as of the date set forth above, for the benefit of the beneficial owner or owners of the Bonds in order to provide certain information and to provide notice of certain events to the MSRB (as defined below) pursuant to the requirements of Section (b)(5) of the Rule (as defined below) and in order to assist the Underwriter (as defined below) in complying with the requirements of the Rule. Notwithstanding anything set forth in this Agreement to the contrary, however, neither the Issuer, the Developer nor the Dissemination Agent will be required to provide any information or take any other actions set forth hereunder until the Closing Date (as defined below), other than as set forth in Section 6 hereof with respect to the Developer Financial Information (as defined below). From and after the Closing Date, the Issuer and the Developer shall furnish the reports, statements and other documents required to be furnished hereunder in the manner set forth herein.

2. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires. Except as expressly otherwise defined herein, capitalized terms used herein shall have the same meanings as defined in the Ordinance.

Annual Financial Information means the information described in *Exhibit I* attached hereto.

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 5 hereof.

Annual Report has the meaning set forth in *Exhibit I*.

Annual Reports Filing Date means the date specified in *Exhibit I* for providing the Annual Financial Information and the Audited Financial Statements to the MSRB.

Audited Financial Statements means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I* attached hereto.

Closing Date means the date on which the Bonds are issued and exchanged for the Prior Bonds (as said terms are defined in the Indenture) pursuant to, and subject to the terms of, the Indenture.

Commission means the Securities and Exchange Commission.

Consultant means Municap, Inc., and its successors and assigns or any other firm selected by the Issuer to assist it in administering the Special Service Area and the extension and collection of Special Taxes pursuant to the Special Tax Report.

Developer Financial Information means the information described in *Exhibit II* attached hereto.

Dissemination Agent means Amalgamated Bank of Chicago, acting in its capacity as Dissemination Agent for the Issuer, or any other agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent's successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Event means the occurrence of any of the events with respect to the Bonds set forth in *Exhibit IV* attached hereto.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Fiscal Year End means April 30 of each year, which is the last day the Issuer's fiscal year.

Limited Offering Memorandum means the Limited Offering Memorandum dated _____, 2018 of the Issuer relating to the Bonds.

MSRB means the Municipal Securities Rulemaking Board.

Reportable Event means any Event which is subject to a Reportable Events Disclosure pursuant to Section 7.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 7.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

Special Service Area means the Village of Gilberts Special Service Area Number Twenty-Five.

Special Services has the meaning as set forth in the Indenture.

Special Tax has the meaning as set forth in the Indenture.

State means the State of Illinois.

Trustee means Amalgamated Bank of Chicago, Chicago, Illinois and its successors and assigns, as trustee under the Indenture.

Undertaking means the obligations of the Issuer pursuant to Sections 5 and 7.

3. **REPRESENTATIONS OF ISSUER.** The Issuer represents that:

(a) it will be the only “obligated person” (within the meaning of paragraph (f)(10) of the Rule) with respect to the Bonds at the time the Bonds is delivered to the beneficial owner thereof and that no other person is expected to become so committed at any time after issuance of the Bonds; and

(b) during the past five (5) years, the Issuer has not failed to comply, in all material respects, with any previous undertakings it has entered into with respect to the Rule.

4. **CUSIP NUMBER.** The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. The Village will, or will cause the Dissemination Agent to, include the CUSIP Numbers in all disclosure materials described in Sections 5, 6 and 7 of this Agreement.

5. **ISSUER FINANCIAL INFORMATION DISCLOSURE.**

(a) Subject to Section 11 of this Agreement, the Issuer hereby covenants that, from and after the Closing Date, it will disseminate, or cause the Dissemination Agent to disseminate, its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to the MSRB through EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

(b) If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will, or cause the Dissemination Agent to, disseminate to the MSRB a statement to such effect as part of its Financial Information for the year in which such event first occurs.

(c) If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

(d) Within ten (10) business days of receipt thereof, and not later than 240 days after the Issuer's Fiscal Year End, the Issuer shall provide the Annual Report to the Dissemination Agent. The Dissemination Agent shall notify the Issuer in the event it does not receive such report. The Issuer may seek the assistance of the Consultant in preparing the Annual Report.

(e) If the Issuer changes its Fiscal Year End, it shall give notice of such change in the same manner as for a Reportable Event under Section 7 below.

(e) By no later than fifteen (15) business days prior to the applicable Annual Reports Filing Date, the Issuer shall provide its Annual Financial Information and, if applicable, its Audited Financial Statements, to the Dissemination Agent for filing with the MSRB through EMMA by no later than the Annual Reports Filing Date. If, by such 15th business day prior to the Annual Reports Filing Date, the Dissemination Agent has not received copies of the Annual Financial Information and the Audited Financial Statements from the Issuer, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with its obligations hereunder.

(f) If the Dissemination Agent is unable to verify that the Issuer has provided the Annual Financial Information and the Audited Financial Statements to the MSRB by the Annual Reports Filing Date, the Dissemination Agent shall promptly send a notice to the MSRB through EMMA in substantially the form attached hereto as *Exhibit V*.

(g) The Dissemination Agent shall:

- (i) determine each year, prior to the Annual Reports Filing Date, the applicable electronic format for filings through EMMA;
- (ii) file the Annual Financial Information and the Audited Financial Statements (if timely received from the Issuer) with the MSRB through EMMA by the Annual Reports Filing Date; and
- (iii) file a report with the Issuer certifying that the Annual Financial Information and the Audited Financial Statements have been provided to the MSRB pursuant to this Agreement and stating the date that such Annual Financial Information and Audited Financial Statements were provided to the MSRB; and
- (iv) file such other Annual Financial Information with the MSRB upon receipt of same from the Issuer.

6. **DEVELOPER FINANCIAL INFORMATION DISCLOSURE.** The Developer shall provide quarterly reports setting forth the Developer Financial Information to the Dissemination Agent, the Issuer, the Underwriter and the Consultant until such time as ninety percent (90%) of the single family homes within the Special Service Area have been conveyed to third parties. Such quarterly reports shall be made available within thirty (30) days after the end of each calendar quarter, commencing with the calendar quarter ending June 30, 2018. In addition, the Developer shall use its best efforts to provide to the Dissemination Agent, the Issuer, the Underwriter and the Consultant prompt notice of any of the events listed in (v) through (xv) on *Exhibit II*. From and after the Closing Date, and promptly upon its receipt thereof, the Dissemination Agent shall disseminate the Developer Financial Information to the MSRB through EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information.

7. **REPORTABLE EVENTS DISCLOSURE.**

(a) Subject to Section 10 of this Agreement, the Issuer hereby covenants that it will, or cause the Dissemination Agent to, disseminate in a timely manner (not in excess of ten (10) business days after the occurrence of the Event giving rise to the Reportable Event) Reportable Events Disclosure to the MSRB through EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information.

(b) The Issuer may from time to time choose to provide notice of the occurrence of certain other events, in addition to the Reportable Events, if, in the judgment of the Issuer, such other event is material with respect to the Bonds, but the Issuer does not undertake any commitment to provide such notice of any event except for the Reportable Events.

(c) MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

(d) Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholder pursuant to the Ordinance.

(e) In connection with providing a notice of the occurrence of a Reportable Event, the Dissemination Agent, solely in its capacity as such, is not obligated or responsible under this Agreement to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

(f) The Dissemination Agent shall, promptly upon obtaining actual knowledge at its office specified in Section 13 below of the occurrence of any of the Events, contact the Issuer to inform the appropriate person at the Issuer of the occurrence of such Event and request that the Issuer promptly notify the Dissemination Agent in writing whether or not to report such Event to the MSRB as a Reportable Event pursuant to Section 7(h) below; provided, however, that the failure by the Dissemination Agent to so notify the Issuer and make such request shall not relieve the Issuer of its duty to report Reportable Events as required by this Agreement.

(g) Whenever the Issuer obtains knowledge of the occurrence of an Event, whether because of notice from the Dissemination Agent pursuant to Section 7(f) above or otherwise, the Issuer shall determine as soon as possible (but in no event in excess of ten (10) business days after the occurrence of the Event giving rise to the Reportable Event) if such Event is a Reportable Event which is required to be reported to the MSRB pursuant to the Rule and this Section 7. In the event the Issuer determines that such Event is not a Reportable Event, the Issuer shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to not report such Event.

(g) If, however, the Issuer determines that an Event is a Reportable Event required to be reported to the MSRB pursuant to the Rule and this Section 7, the Issuer shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to report such Reportable Event, in which event the Dissemination Agent shall file a notice of such Reportable Event with the MSRB through EMMA in an electronic format and accompanied by such identifying information as is prescribed by the MSRB. Such notice shall in no event be filed later than ten (10) business days after the occurrence of the Event giving rise to the Reportable Event.

(h) The Dissemination Agent may conclusively rely on an opinion of counsel that the Issuer's instructions to the Dissemination Agent under this Section 7 comply with the requirements of the Rule.

8. **CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION.** The Issuer shall give, or cause the Dissemination Agent to give, notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any of its obligations under this Agreement, the beneficial owner of any Bonds may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Ordinance or the Indenture, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance. The failure by the Developer to comply with any of its obligations to provide the Developer Financial Information pursuant to Section 6 of this Agreement shall not be deemed to constitute a failure by the Issuer to comply with its obligations hereunder, and the Issuer shall be under no obligation to give, or to cause the Dissemination Agent to give, any notice in a timely manner to EMMA of any failure by the Developer to provide the Developer Financial Information when the same is due hereunder.

9. **AMENDMENTS; WAIVER.** Notwithstanding any other provision of this Agreement, the Issuer by ordinance or resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Issuer (such as Bond Counsel) at the time of the amendment.

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer or the Dissemination Agent shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

10. **TERMINATION OF UNDERTAKING.** The Undertaking of the Issuer, and the obligations of the Dissemination Agent hereunder, shall be terminated hereunder if the Issuer

shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds (including defeasance of the Bonds) under the Ordinance and the Indenture. The Issuer shall, or cause the Dissemination Agent to, give notice to the MSRB through EMMA in a timely manner if this Section is applicable.

11. **DISSEMINATION AGENT.** The Issuer 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 Dissemination Agent, with or without appointing a successor Dissemination Agent. The Issuer hereby appoints Amalgamated Bank of Chicago as the Dissemination Agent. The Dissemination Agent may resign by providing sixty (60) days' written notice to the Issuer.

12. **ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

13. **NOTICES.** Any notices or communications to or among any of the parties to this Agreement may be given as follows:

To the Issuer: Village of Gilberts
87 Galligan Road
Gilberts, Illinois 60136
Attn: Rick Zirk, Village President
Telephone: 847-428-2861
Telecopier/Fax: 847-428-2955

To the Developer: Gilberts Development LLC
340 W. Butterfield Road, Suite D
Elmhurst, Illinois 60126-5042
Attn: Troy Mertz
Telephone: 847-774-9435

To the Dissemination Agent: Amalgamated Bank of Chicago
30 North LaSalle Street
Chicago, Illinois 60602
Attn: _____
Telephone: _____
Telecopier/Fax: _____

14. **BENEFICIARIES.** This Agreement has been executed in order to assist the Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

15. **RECORDKEEPING.** The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

16. **ASSIGNMENT.** The Issuer shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

17. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State of Illinois applicable to contracts performed wholly therein and without reference to its conflict of laws principles, provided that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

(Signature page follows)

**VILLAGE OF GILBERTS, KANE COUNTY,
ILLINOIS**

By _____
Village President

GILBERTS DEVELOPMENT LLC

By _____
Its _____

ACCEPTANCE BY DISSEMINATION AGENT

Amalgamated Bank of Chicago hereby accepts its appointment as Dissemination Agent hereunder, and agrees to perform the services of Dissemination Agent hereunder.

**AMALGAMATED BANK OF CHICAGO, AS
DISSEMINATION AGENT**

By _____
Its _____

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in the Limited Offering Memorandum, the Limited Offering Memorandum must be available on EMMA; the Limited Offering Memorandum need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

a. Annual Financial Information:

1. “*Annual Financial Information*” means the annual report prepared by the Consultant (the “*Annual Report*”) showing the Special Taxes received, all disbursements from the Funds and Accounts administered by the Indenture, including the balances in all Funds and Accounts relating to the Bonds and the Special Services as of the end of such fiscal year, the collection of taxes, delinquencies, tax sales and foreclosures.
2. The Annual Financial Information will be submitted to EMMA within ten (10) business days of receipt thereof and not later than 240 days after the Issuer’s Fiscal Year End.

b. Audited Financial Statements:

1. “*Audited Financial Statements*” means the general purpose financial statements of the Issuer prepared in accordance with generally accepted auditing standards and “Government Auditing Standards” issued by the Comptroller of the United States.
2. Audited Financial Statements will be submitted to EMMA in such format and manner and accompanied by identifying information as is prescribed by the MSRB, at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements as described above should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be filed when available.

The Issuer shall file with the Dissemination Agent (a) forthwith upon becoming aware of any Event of Default or other event which, with the lapse of time specified in the Indenture, would become an Event of Default, a Written Certificate of the Issuer specifying such Event of Default or other event; and (b) within 240 days after the Issuer’s Fiscal Year End, a written

certificate of the Issuer stating that, to the best of knowledge and belief of the authorized officer of the Issuer executing such written certificate, the Issuer has kept, observed, performed and fulfilled each and every one of its covenants and obligations contained in the Indenture and there does not exist at the date of such certificate any default by the Issuer under the Indenture or any Event of Default or other event which, with the lapse of time, would become an Event of Default, or, if any such Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

If any change is made to the Annual Financial Information as permitted by Section 5 of this Agreement, the Issuer will disseminate a notice of such change as required by Section 5.

EXHIBIT II
DEVELOPER FINANCIAL INFORMATION

Developer Financial Information means any information concerning the development of the Special Service Area, including:

(i) the number of residential dwelling units and/or bulk property sales within the Special Service Area;

(ii) the number of residential dwelling units on which construction has commenced within the Special Service Area;

(iii) any pending litigation which would adversely affect the ability of the Developer to develop the Special Service Area or to pay the Special Tax for the Special Service Area;

(iv) any material change in the structure or ownership of the Developer;

(v) the termination of any contracts Developer has entered into with homebuilders;

(vi) any failure of the Developer or any affiliate, sharing the same or similar ownership as the Developer, to pay by the date due general ad valorem property taxes on the Special Service Area, the Special Tax for the Special Service Area, or any other governmental charge on the Special Service Area;

(vii) any denial or termination of credit which is likely to have a material adverse effect on the ability of the Developer to develop the Special Service Area or complete the Special Services;

(viii) any denial or termination of, or default under, any letter of credit, line of credit or loan or any other loss of a source of funds that the Developer requires for the completion of the development of the Special Service Area or the construction of the Special Services;

(ix) the occurrence of any event of bankruptcy with respect to the Developer which is likely to have a material adverse effect on the ability of the Developer to develop the Special Service Area or construct the Special Services;

(x) any significant amendments to land use entitlements for the Special Service Area if such amendments are likely to prevent or delay the development of the Special Service Area;

(xi) any previously undisclosed governmentally-imposed preconditions to commencement or continuation of development of the Special Service Area if such preconditions are likely to prevent or delay the development of the Special Service Area;

Exhibit II

(xii) any previously undisclosed legislative, administrative or judicial challenges to development of the Special Service Area, the construction of the Special Services or the collection of the Special Tax for the Special Service Area;

(xiii) any changes of which the Developer is aware, if material, in the alignment, design or likelihood of completion of significant public improvements affecting the Special Service Area, including major thoroughfares, sewers, water conveyance systems and similar facilities; and

(xiv) any update to the information set forth in the Limited Offering Memorandum to the extent not already addressed in circumstances (i) through (xiii) above.

Exhibit II

**EXHIBIT III
CUSIP NUMBERS**

MATURITY
(March 1) CUSIP

Exhibit III

EXHIBIT IV
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, 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 security, or other material events affecting the tax status of the Bonds
7. Modifications to the rights of Bondholders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the Bonds, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer[□]
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

Exhibit IV

EXHIBIT V

FORM OF NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Village of Gilberts, Kane County, Illinois
Name of Issue: Special Service Area Number Twenty-Five Special Tax Bonds,
Series 2018 (The Conservancy Project)
Date of Issuance: _____, 2018

NOTICE IS HEREBY GIVEN that the Village of Gilberts, Kane County, Illinois (the “Issuer”) has not provided its Annual Financial Information and its Audited Financial Statements with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated _____, 2018 by the Issuer and accepted by Amalgamated Bank of Chicago as Dissemination Agent. [The Issuer anticipates that the Annual Financial Information and Audited Financial Statements will be filed by _____.]

Dated: _____

**AMALGAMATED BANK OF CHICAGO, AS
DISSEMINATION AGENT**

By: _____
Its: _____

Exhibit V

In the opinion of Foley & Lardner LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and, assuming among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the 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, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on the Bonds is not exempt from present State of Illinois income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

\$20,441,000*

VILLAGE OF GILBERTS
KANE COUNTY, ILLINOIS
SPECIAL SERVICE AREA NUMBER TWENTY-FIVE
SPECIAL TAX BONDS, SERIES 2018 (THE CONSERVANCY PROJECT)

Dated: Date of Delivery

Maturity Dates, Interest Rates, Prices and Yields: See Inside Cover

This Limited Offering Memorandum is being furnished solely for consideration by prospective sophisticated purchasers of the Village of Gilberts, Kane County, Illinois Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (The Conservancy Project) (the "Bonds") with substantial financial resources and the experience and financial expertise to understand and evaluate the high degree of risk inherent in this investment. Purchase of the Bonds will constitute an investment secured solely by a pledge of a Special Tax (as defined herein) and certain other amounts held in funds established pursuant to the Trust Indenture dated as of _____ 1, 2018 (the "Trust Indenture") between the Village of Gilberts, Kane County, Illinois (the "Village") and Amalgamated Bank of Chicago, as Trustee (the "Trustee"). The purchase of the Bonds is an investment subject to a high degree of risk, including the risk of non-payment of principal and interest. See "RISK FACTORS" herein.

The Bonds are issuable only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only, in principal amounts of \$100,000 (Accreted Value at maturity) and integral multiples of \$1,000 in excess thereof. Principal of, premium, if any, and interest (payable on March 1 and September 1 of each year, commencing September 1, 2021) on the Bonds are payable by Amalgamated Bank of Chicago, as Trustee, to DTC, which will remit such principal, premium, if any, and interest to DTC's Participants, who in turn will be responsible for remitting such payments to the Beneficial Owners of the Bonds, as described herein. See "THE BONDS" herein.

The Bonds will bear interest at the rate set forth above (computed on a 360-day year of twelve 30-day months), payable semiannually on March 1 and September 1 of each year, commencing September 1, 2021. Prior to September 1, 2021, interest not paid currently on the Bonds will be treated as capitalized interest, and will accrue and compound semi-annually on each March 1 and September 1. Interest payable on the Bonds will be determined based on the then outstanding principal amount of the Bonds from time to time, provided that interest on the initial principal amount of the Bonds will begin to accrue on the date of the issuance thereof and interest on all Advanced Special Service Expenses and on the Reserve Fund Advance (as such terms are hereinafter defined) will begin to accrue on the date such advance is approved. See "THE BONDS – General Description of the Bonds" herein.

The Bonds are subject to optional, mandatory and special mandatory redemption prior to maturity as set forth herein. See "THE BONDS – "Redemption" "Optional Prepayment of Special Tax" "Mandatory Prepayment of Special Tax" and "Special Mandatory Redemption from Recapture; Optional Prepayment of Special Taxes and Excess Revenues and Reserve Fund Transfers on Completion Date" herein.

THE BONDS ARE BEING ISSUED PURSUANT TO THE SPECIAL SERVICE AREA TAX LAW OF THE STATE OF ILLINOIS, AS AMENDED, AND, IN THE OPINION OF FOLEY & LARDNER LLP, CHICAGO, ILLINOIS, BOND COUNSEL, WILL CONSTITUTE VALID AND LEGALLY BINDING LIMITED OBLIGATIONS OF THE VILLAGE, PAYABLE SOLELY AND ONLY FROM THE SPECIAL TAX AND AMOUNTS ON DEPOSIT IN CERTAIN OF THE FUNDS ESTABLISHED AND MAINTAINED PURSUANT TO THE TRUST INDENTURE, AS SET FORTH HEREIN. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE VILLAGE AND NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE VILLAGE, THE COUNTY OF KANE, THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. NO HOLDER OF ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE (OTHER THAN THE LEVY OF THE SPECIAL TAX AS DESCRIBED HEREIN) FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

The Bonds are offered when, as and if issued, subject to prior sale, withdrawal or modification of the offer without notice, the approving legal opinion of Foley & Lardner LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. See "TAX MATTERS" herein and Appendix C hereto. Certain legal matters will be passed upon for D.A. Davidson & Co. (the "Underwriter") by Bryan Cave LLP, Chicago, Illinois, and for the Village by Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, P.C., Chicago, Illinois. It is expected that the Bonds will be available for delivery to DTC in New York, New York on or about _____, 2018.

D.A. DAVIDSON & CO.

_____, 2018

* Preliminary, subject to change.

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion and amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Limited Offering Memorandum is delivered in final form. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction.

MATURITY SCHEDULE

\$20,441,000
VILLAGE OF GILBERTS
KANE COUNTY, ILLINOIS
SPECIAL SERVICE AREA NUMBER TWENTY-FIVE
SPECIAL TAX BONDS, SERIES 2018 (THE CONSERVANCY PROJECT)

Consisting Of:

\$ _____ % Bonds due March 1, 2033 at Price of ___% to Yield ___%; CUSIP[†] _____
\$ _____ % Bonds due March 1, 2048 at Price of ___% to Yield ___%; CUSIP[†] _____

[†]CUSIP® is a registered trademark of the American Bankers Association (the “ABA”). CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a part of S&P Global, Inc. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer, the Underwriter or the Borrower and are included solely for the convenience of the holders of the Bonds. None of the Issuer, the Underwriter or the Borrower is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

LIMITED OFFERING MEMORANDUM

This Limited Offering Memorandum is being furnished by the Village of Gilberts, Kane County, 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 will 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, salesman or other person has been authorized to give any information or to make any representation other than as contained in this Limited Offering Memorandum in connection with the limited offering described herein, and, if given or made, such information or representation must not be relied upon as having been authorized. Certain information contained herein has been obtained from the Village, the Developer and other sources which are believed to be reliable. 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, D.A. Davidson & Co. (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 (including the Appendices hereto) 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 Limited Offering Memorandum. Where statutes, reports, agreements or other documents are referred to herein, reference should be made to such statutes, reports, agreements or other documents for more complete information regarding the rights and obligations of parties thereto, 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 TRUST 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 THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES 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 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.

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that it would continue to exist or that the Bonds could in any event be sold for any particular price.

In connection with the issuance of the Bonds, the Village and the Developer will enter into a Continuing Disclosure Agreement with Amalgamated Bank of Chicago, as Dissemination Agent. See “THE UNDERTAKING” herein and APPENDIX D – CONTINUING DISCLOSURE AGREEMENT.

**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 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 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 GILBERTS, ILLINOIS

VILLAGE PRESIDENT

Rick Zirk

VILLAGE BOARD OF TRUSTEES

Dan Corbett

Nancy Farrell

Louis Hacker

Jeanne Allen

Elissa Kojzarek

Guy Zambetti

VILLAGE CLERK

Debra Meadows

VILLAGE TREASURER

Laura Erickson

VILLAGE ADMINISTRATOR

George Sakas

PROFESSIONAL SERVICES

BOND COUNSEL

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Chicago, Illinois*

TRUSTEE

*Amalgamated Bank of Chicago
Chicago, Illinois*

VILLAGE'S COUNSEL

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Krafthefer, P.C.,
Chicago, Illinois*

SPECIAL SERVICE AREA ADMINISTRATOR

MuniCap, Inc.

UNDERWRITER'S COUNSEL

*Bryan Cave LLP
Chicago, Illinois*

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\$20,441,000*
Village of Gilberts
Kane County, Illinois
Special Service Area Number Twenty-Five
Special Tax Bonds, Series 2018 (The Conservancy Project)

INTRODUCTORY STATEMENT

This Limited Offering Memorandum, which includes the cover page and all Appendices attached hereto, is provided to furnish information in connection with the issuance and sale by the Village of Gilberts, Kane County, Illinois (the "Village") of \$20,441,000* aggregate principal amount Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (The Conservancy Project) due March 1, 20__ (the "Bonds"). The Bonds will be issued by the Village pursuant to (i) the Illinois Constitution of 1970; (ii) the Special Service Area Tax Law of the State of Illinois (the "Special Service Area Act"), (iii) the Illinois Local Government Debt Reform Act of the State of Illinois; (iv) Ordinance No. ___-2018 of the Village adopted on _____, 2018 (the "Bond Ordinance") providing for the issuance of the Bonds; and (v) the Trust Indenture dated as of _____ 1, 2018 (the "Trust Indenture") between the Village and Amalgamated Bank of Chicago, Chicago, Illinois, as trustee (the "Trustee"). The Bonds will be issued as fully registered bonds without coupons in book entry only form in denominations of \$100,000 Accreted Value at maturity (as defined in the Trust Indenture) and integral multiples of \$1,000 in excess thereof. The Bonds will be secured primarily by the proceeds of the Special Tax (as defined in the Rate and Method of Apportionment of Special Tax attached hereto as Appendix E and hereafter referred to as the "Rate and Method of Apportionment") levied on certain property within the Village of Gilberts Special Service Area Number Twenty-Five (the "Area"). In addition, the Bonds will be payable from and secured by certain funds established pursuant to the Trust Indenture. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" herein. Capitalized terms used but not defined herein shall have the meaning given such terms in the Trust Indenture. See "Appendix B – Trust Indenture."

The Bonds are being issued to (i) finance Additional Special Services (as defined herein) and (ii) refinance the Village of Gilberts Special Service Area Number Twenty-Four Special Tax Bonds, Series 2014 (The Conservancy Project) (the "Series 2014 Bonds"). The Series 2014 Bonds were issued pursuant to Ordinance No. 11-2014 adopted on May 20, 2014, for the purpose of restructuring the Village's Special Service Area Number Nineteen Special Tax Bonds, Series 2006-1 (the "Series 2006 Bonds"). The Series 2006 Bonds were issued on December 19, 2006 in connection with the establishment of Special Service Area Number Nineteen ("SSA No. 19"). SSA No. 19 was to be developed by Neumann Homes, Inc. (the "Original Developer") on approximately 920 acres of land located west of Galligan Road between Huntley and Freeman Roads in Gilberts, Illinois, commonly known as The Conservancy. The Original Developer proposed to develop SSA No. 19 with finished lots for up to 796 detached single family homes ("Single Family Homes").

With the financial downturn and the onset of the recession that began in late 2007, the Original Developer was unable to complete the project and the Original Developer declared bankruptcy in 2007. Gilberts Development LLC (the "Developer") acquired the property that comprises SSA No. 19, in 2012 [NTD: DEVELOPER TO CONFIRM IS DELAWARE TRUST & LENDING OR ANY OTHER ENTITY OWNS PROPERTY, AND, IF SO, WHICH PORTIONS]. Subsequent to issuance of the Series 2014 Bonds, the Developer has developed 123 Single Family Home Parcels (as hereinafter defined) and,

* Preliminary, subject to change.

in connection therewith, has prepaid the special service area taxes with respect to such Parcels. The Area includes all of the property within SSA No. 19 except these Parcels for which the special services area taxes have been prepaid. The property within the Area is currently planned to include 874 Single Family Homes and 26 acres of commercial property. The development of the Single Family Homes and commercial property within the Area is hereinafter referred to as the “Project.” A finished lot for a Single Family Home shall sometimes be referred to herein as a “Single Family Home Parcel”, a “Lot” or “lot”. See “PLAN OF FINANCE – Background” and “-Development Financing” and “PROPOSED DEVELOPMENT” herein.

In addition to refunding the Series 2014 Bonds, the proceeds of the Bonds are intended to fund costs of issuance, as well as special services for the Area which may include costs for engineering, soil testing and appurtenant work, mass grading and demolition, storm water management facilities, storm drainage systems and storm sewers, site clearing and tree removal, public water facilities, sanitary sewer facilities, erosion control measures, roads, streets, curbs, gutters, street lighting, traffic controls, sidewalks and related street improvements, and equipment and materials necessary for the maintenance thereof, landscaping, wetland mitigation, public park improvements and tree installation, costs for land and easement acquisitions relating to any of the foregoing improvements, required tap-on and related fees for water or sanitary sewer services and other eligible costs of improvements to serve the Area (collectively, the “Special Services”).

IN THE OPINION OF BOND COUNSEL, THE BONDS WILL CONSTITUTE VALID AND LEGALLY BINDING LIMITED OBLIGATIONS OF THE VILLAGE, PAYABLE SOLELY AND ONLY FROM THE SPECIAL TAX (AS PROVIDED IN THE BOND ORDINANCE, THE SPECIAL TAX REPORT AND THE TRUST INDENTURE) AND AMOUNTS ON DEPOSIT IN CERTAIN OF THE FUNDS AND ACCOUNTS ESTABLISHED AND MAINTAINED UNDER THE TRUST INDENTURE, AS SET FORTH HEREIN. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE VILLAGE AND NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE VILLAGE, THE COUNTY OF KANE, THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. NO HOLDER OF ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE (OTHER THAN THE LEVY OF THE SPECIAL TAX) FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

THE BONDS

General Description of the Bonds

The Bonds will be issued in the aggregate principal amount of \$20,441,000,* will accrete and compound semiannually on each March 1 and September 1 commencing September 1, 2018 from the Issue Date to and including March 1, 2021 and bear interest at the rate and mature on the date as set forth on the inside cover of this Limited Offering Memorandum, subject to optional or mandatory redemption as described herein. The Bonds will be issued only as fully registered bonds without coupons in book entry form, in authorized denominations of \$100,000 and integral multiples of \$1,000 in excess thereof. The Bonds will be designated “Village of Gilberts Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (The Conservancy Project)” and will be numbered consecutively from R-1 and upward but need not be authenticated or delivered in consecutive order. The Bonds will appreciate in value from the date on which the Bonds are first issued to the Interest Commencement Date.

* Preliminary, subject to change.

Interest on the Bonds will be paid in lawful money of the United States of America semiannually on March 1 and September 1 of each year (each, an “Interest Payment Date”), commencing September 1, 2021. Interest on the Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months.

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds. Principal of, premium, if any, and interest on the Bonds will be paid by the Trustee directly to DTC, which will remit such principal, premium, if any, and interest to DTC’s Participants, who, in turn will be responsible for remitting such payments to the Beneficial Owners of the Bonds. During such time as the Bonds are registered so as to participate in a securities depository system with DTC, principal of and interest on each Bond shall be payable by wire transfer pursuant to instructions from DTC. See “THE BONDS - Book-Entry-Only System.”

For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed, or (ii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Village or the Trustee any notice, consent, request, or demand pursuant the Trust Indenture for any purpose whatsoever, the then current Accreted Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision in the Trust Indenture, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond shall not exceed the Accreted Value thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due and the principal of such Bond on the date such Deferred Income Bonds were first issued shall be deemed not to be accrued and unpaid interest thereon.

Additional Bonds

The Trust Indenture provides that no additional bonds will be issued that are secured by a pledge of the Special Taxes other than bonds or other obligations issued for the purpose of refunding all or a portion of the Bonds.

Redemption

Optional Redemption. The Bonds are subject to optional redemption prior to maturity on or after March 1, 2028 at a redemption price equal to 100% of the Accreted Value of the Bonds to be redeemed plus accrued but unpaid interest to the redemption date. Any optional redemption of Bonds shall be applied to the extent possible to reduce the amount of Bonds to be redeemed by mandatory sinking fund redemption in order of mandatory sinking fund redemption dates (earliest dates first).

Mandatory Sinking Fund Redemption. The Bonds maturing on March 1, 2033 are subject to mandatory sinking fund redemption and final payment at maturity in part on March 1 at a price equal to their Accreted Value plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<u>Year</u>	<u>Accreted Value to be Redeemed</u>
-------------	--------------------------------------

Mandatory Sinking Fund Redemption. The Bonds maturing on March 1, 2048 are subject to mandatory sinking fund redemption and final payment at maturity in part on March 1 at a price equal to their Accreted Value plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<u>Year</u>	<u>Accreted Value to be Redeemed</u>
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The Village covenants that it will redeem the Bonds pursuant to the mandatory sinking fund redemption requirements for the Bonds to the extent amounts are on deposit in the Bond and Interest Fund. If the full amount of the sinking fund requirement as set forth in the charts above are not on deposit in the Bond and Interest Fund on the date set forth above, the Bonds shall only be redeemed in an amount equal to the amount on deposit in the Bond and Interest Fund on such date with the remaining amounts to be redeemed once moneys are on deposit in the Bond and Interest Fund. Proper provision for mandatory redemption having been made, the Village covenants that the Bonds so selected for redemption shall be payable upon redemption and taxes have been levied and will be collected as provided in the Trust Indenture and in the Bond Ordinance for such purposes.

[Mandatory Redemption Upon Condemnation or Change in Density. The Bonds are subject to mandatory redemption on any date, in part, at a redemption price equal to the Accreted Value of Bonds to be redeemed, together with accrued but unpaid interest to the date fixed for redemption, without premium, from amounts in the Special Redemption Account consisting of the proceeds received by the Village in connection with a condemnation of any of the Special Services or any other property dedicated to, or owned by, the Village within the Special Service Area and allocable to the Bonds as determined by the Consultant retained by the Village to assist it in administering the Special Service Area and the extension and collection of Special Taxes pursuant to the Special Tax Report (the “Consultant”) and which proceeds are not used by the Village to rebuild the Special Services.]

The Bonds are subject to mandatory redemption on each March 1, June 1, September 1 and December 1, in whole or in part, at a redemption price equal to the Accreted Value of Bonds to be redeemed, together with accrued but unpaid interest to the date fixed for redemption, without premium, in connection with any mandatory prepayment of the Special Tax upon any event that reduces the total of the Maximum Parcel Special Tax on all of the Parcels (including any reductions due to the number of Dwelling Units or Net Acreage to an amount less than the Maximum Special Tax) (as such terms are defined in the Trust Indenture) all as described in, and in the amounts set forth in, Table N of the Village of Gilberts Special Service Area Number Twenty-Five Special Tax Report (the “Special Tax Report”).

Any mandatory redemption of Bonds as described in the preceding two paragraphs will be applied, to the extent possible, to reduce pro rata the amount of Bonds to be redeemed by mandatory sinking fund redemption in order of mandatory sinking fund redemption dates (earliest dates first).

Special Mandatory Redemption from Recapture; Optional Prepayment of Special Taxes and Excess Revenues and Reserve Fund Transfers on Completion Date. Property owners may prepay the Special Tax at any time. See “THE BONDS – Optional Prepayment of Special Tax.” The proceeds received from any such prepayments will be used to redeem the Bonds in part. Consequently the Bonds are subject to mandatory redemption upon the optional prepayment of the Special Taxes on each March 1, June 1, September 1 and December 1, in part, from amounts available for disbursement from the Special Redemption Account, at a redemption price (expressed as a percentage of the Accreted Value) of the

Bonds to be redeemed as follows, together with accrued but unpaid interest on such Bonds to the date fixed for redemption:

Prior to February 28, 2026	103%
March 1, 2026 through and including February 28, 2027	102%
March 1, 2027 through and including February 29, 2028	101%
March 1, 2028 and thereafter	100%

The Bonds are subject to mandatory redemption on each March 1, June 1, September 1 and December 1, in part, from Recapturable Costs received by the Trustee pursuant to the Recapture Ordinances and on deposit in the Special Redemption Account of the Bond and Interest Fund, at a redemption price of 100% of the Accreted Value of the Bonds to be redeemed, together with accrued but unpaid interest on such Bonds to the date fixed for redemption.

The Bonds are subject to mandatory redemption on or after the Completion Date (as defined in the Trust Indenture), in part, from proceeds transferred from the Improvement Fund to the Special Redemption Account, at a redemption price of 100% of the Accreted Value of the Bonds to be redeemed together with accrued interest on such Bonds to the redemption date.

In connection with a reduction in debt service due on the Bonds resulting from or related to any redemption from optional prepayments of the Special Tax pursuant to Sections L or M of the Special Tax Report, the Special Tax Roll shall be amended by the Village and the Maximum Special Tax shall be reduced by the Village such that the maximum Special Tax that may be collected from all Parcels (as defined in the Trust Indenture) is equal to a minimum Debt Service Coverage Requirement (as defined in the Trust Indenture) of 110%.

Any mandatory redemption of Bonds pursuant to the previous four paragraphs will be applied, to the extent possible, to reduce the amount of Bonds to be redeemed by mandatory sinking fund redemption in order of mandatory sinking fund redemption dates (earliest dates first).

Redemption Provisions; Notice of Redemption. If less than all the Bonds of any maturity are to be redeemed on any redemption date, the Bond Registrar appointed in the Trust Indenture shall assign to each Bond of the maturity to be redeemed a distinctive number for each \$1,000 of principal amount of that Bond. The Bond Registrar shall then select the Bonds for redemption by lot provided that following any redemption, no Bond shall be outstanding in an amount less than the minimum Authorized Denomination.

Notice of the redemption of any Bonds, which by their terms shall have become subject to redemption, shall be given to the registered owner of each Bond or portion of a Bond called for redemption not less than 20 or more than 60 days before any date established for redemption of Bonds, by the Bond Registrar, on behalf of the Village, by first class mail or overnight courier delivery sent to the registered owner's last address, if any, appearing on the registration books kept by the Bond Registrar. All notices of redemption shall include at least the designation, date and maturities of Bonds called for redemption, CUSIP Numbers, if available, and the date of redemption. In the case of a Bond to be redeemed in part only, the notice shall also specify the portion of the principal amount of the Bond to be redeemed. The mailing of the notice specified above to the registered owner of any Bond shall be a condition precedent to the redemption of that Bond, provided that any notice which is mailed in accordance with the Trust Indenture shall be conclusively presumed to have been duly given whether or not the owner received the notice. The failure to mail notice to the owner of any Bond, or any defect in that notice, shall not affect the validity of the redemption of any other Bond for which notice was properly given.

Purchase in Lieu of Redemption. In lieu of redemption as provided in the Trust Indenture moneys in the Bond and Interest Fund may be used and withdrawn by the Village for the purchase of outstanding Bonds, at public or private sale as and when, and at such prices (including brokerage and other charges) as the Village may provide, but in no event may Bonds be purchased at a price in excess of the Accreted Value of such Bonds plus interest accrued to the date of purchase.

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 VILLAGE, OR THE DEVELOPER.

The Depository Trust Company (“DTC”), New York, NY, will act as bonds depository for the Bonds. The Bonds will be issued as fully-registered bonds 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 certificate will be issued for the issue of the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities 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, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“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 each Bond (“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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Payment of principal of, premium, if any and interest 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 Village or the Trustee, on 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, the Trustee, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Village or the Trustee, 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.

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 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village 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 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 Village or Paying Agent, on 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 Bonds 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, the Paying Agent, or 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 Paying 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 the Trustee. 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.

NEITHER THE VILLAGE, THE UNDERWRITER, THE TRUSTEE, NOR THE DEVELOPER 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 TRUST 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.

PLAN OF FINANCE

Background

SSA No. 19 was established and the Series 2006 Bonds were issued in December 2006 to fund infrastructure improvements in connection with the Project, originally to be developed by Neumann Homes, Inc. (the “Original Developer”). With the onset of the recession in 2007, the Project stalled and no single family lots were sold, but most of the Special Services were constructed and installed. The Original Developer declared bankruptcy in 2007, and the financial institution that had provided permanent financing for the Project took control of the Project. That financial institution also failed as a result of issues relating to the recession and the property ultimately came into the possession of the Federal Deposit Insurance Corporation (“FDIC”). The Village also expended resources to finalize some of the Special Services and to prevent deterioration of the Special Services previously installed. As a result of the foregoing, property taxes on SSA No. 19 were never paid and the Series 2006 Bonds went into payment default.

The Developer acquired the property comprising SSA No. 19 in 2012. The Developer then worked with the Village, Kane County (the “County”) and the Beneficial Owners of the Series 2006 Bonds to work out a plan of refinancing to move forward to develop the Project as originally intended. Of the original \$15,000,000 of Series 2006 Bonds outstanding, the Developer obtained beneficial ownership of \$5,000,000 (33.3%) of the Series 2006 Bonds. The Developer, the County and the Village reached a settlement whereby all prior property taxes in connection with SSA No. 19 were declared null and void and SSA No. 19 (and Special Service Area Number 20 that was also previously established by the Village) was extinguished and no longer exists.

SSA No. 24 was established pursuant to Ordinance No. 10-2014 adopted by the Village on May 20, 2014, and the Series 2014 Bonds were issued in the aggregate principal amount of \$9,750,000 in exchange for and in full satisfaction of the Series 2006 Bonds.

Subsequently, the Developer entered into a contract with NVR Ryan Homes (“NVR”) pursuant to which the Developer has developed and/or sold 123 lots which are to be (or have been) sold to NVR and, in connection with each sale, has optionally redeemed the Series 2014 Bonds relating to such lots (the “Previously Redeemed Parcels”).

The Area is comprised of those portions of SSA No. 19 which do not include the Previously Redeemed Parcels. The Village will borrow the sum of \$21,440,000* pursuant to the Special Service Area Act and the Debt Reform Act for the purpose of paying a portion of the costs of refunding the remaining Series 2014 Bonds, including the costs of the Village in connection with the issuance of the Bonds, paying for Additional Special Services benefitting the Area, funding the Initial Accrued Interest Amount and deposits into the Reserve Fund and the Costs of Issuance Account of the Administrative Expense Fund.

Refunding of Series 2014 Bonds

The Village has determined the refunding of the Series 2014 Bonds and financing of additional special services to benefit the Area to be in the public interest and in furtherance of the public purposes of the Village. Proceeds received from the sale of the Bonds net of underwriter’s discount in the amount of \$20,441,000* shall be applied as follows:

- i. \$[8,408,100]* shall be deposited to the Bond and Interest Fund for the Series 2014 Bonds and applied to refund the Series 2014 Bonds;
- ii. \$[9,550,000]* shall be deposited to the Improvement Fund to pay costs of Additional Special Services;
- iii. \$[2,044,090]* shall be deposited to the Reserve Fund created for the Bonds;
- iv. \$[50,000]* shall be deposited to the Administrative Expense Fund;
- v. \$[511,022]* shall be deposited to the Costs of Issuance Account created hereunder for the Bonds and applied to pay costs of issuance of the Bonds.

Proceeds on deposit in the funds and accounts held under the Prior Indenture shall be transferred to the Bond and Interest Fund for the Series 2014 Bonds and used to retire the Series 2014 Bonds.

All amounts transferred to the funds and accounts created under the Trust Indenture, together with all interest and other investment earnings on those amounts, are appropriated and set aside for the purposes for which the Bonds are being issued as set forth in the Trust Indenture.

The Additional Special Services

Pursuant to an Agreement for Public Improvements between the Developer and the Village, the Developer intends to use the portion of the proceeds of the Bonds allocated for new improvements to fund

* Preliminary, subject to change.

the construction of additional wells and certain improvements to the Village’s water treatment plant in order to provide sufficient capacity for the Project, as well as improvements to Freeman Road required by the Village in order to accommodate additional traffic anticipated to be generated by the Project (the “Additional Special Services”). The current estimated budget for such Additional Special Services is as follows

Public Improvements	Total
Water treatment plant	\$7,750,000
Freeman Road	\$920,000
Contingency	\$880,000
Total estimated public improvement costs	\$9,550,000

Pursuant to the Agreement for Public Improvements, any further costs of the Additional Special Services will be financed out of Developer funds. See “SUMMARY OF AGREEMENT FOR PUBLIC IMPROVEMENTS.”

The proceeds of the Bonds will be used to finance additional Special Services (the “Additional Special Services”) authorized by the Trust Indenture, consisting of expansion of the Village’s water treatment plant, construction of new wells, improvements to Freeman Road and related costs of improvements to serve the Area.

Development Financing

As of the date of issuance of the Bonds, the Developer has not secured permanent financing for the development of the Project. To date, the Developer has been funding the development of finished lots from its own funds as well as funds generated from the sale of finished lot inventory. Developer has also granted a mortgage in favor of NVR which encumbers 13 lots in Neighborhood 2 of the Project pursuant to which NVR allowed the Developer to use NVR’s earnest money deposit in order to fund the improvements of such lots. It is anticipated that this mortgage would be released upon the sale of such lots to NVR. The Developer intends to continue to finance development primarily from the proceeds of finished lot sales. However, the Developer has obtained a commitment for Construction Lending and Municipal Bonding credit facility from Texas Capital Bank in the amount of \$2,000,000.00 to fund on-site and other required improvements. The Developer intends to construct the remaining off-site infrastructure improvements required to provide services to the Project. The Developer further expects to complete all of the on-site improvements required to produce finished lot inventory which will then be marketed to residential home builders. The Developer, through its affiliate, Delaware Trust & Lending also holds mortgages encumbering the Project which it acquired from the successor to IndyMac Bank, the original lender to Neumann Homes. At present the Developer intends to keep these mortgages in place and release them upon sales of lots to homebuilders. The success of the Project and its successful refinancing will depend largely upon the Developer’s ability to (i) secure permanent financing for the Project, and (ii) sell the finished lot inventory to home builders. See “PROPOSED DEVELOPMENT.” Notwithstanding the Developer’s current intentions, it is also possible that the Developer could sell unfinished lots to another developer or home builder, which would not require the Developer to otherwise secure development financing for the portion of the Project. See “RISK FACTORS” herein for a limited discussion of the various risks associated with the successful completion of the Project.

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service schedule for the Bonds based on the maturity, and interest rate set forth on the cover of this Limited Offering Memorandum, assuming no redemptions other than mandatory sinking fund redemptions are made:

<u>Bond Year Ending*</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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*"Bond Year Ending" incorporates the September 1 interest payment and the March principal (if any) and interest payment.

EXPECTED SPECIAL TAX AND DEBT SERVICE COVERAGE

<u>Levy</u> <u>Year</u>	<u>Bond</u> <u>Year</u>	<u>Debt</u> <u>Service</u>	<u>Coverage</u>	<u>Total</u> <u>Levy</u>	<u>Coverage</u> <u>Ratio</u>
2020	2022				
2021	2023				
2022	2024				
2023	2025				
2024	2026				
2025	2027				
2026	2028				
2027	2029				
2028	2030				
2029	2031				
2030	2032				
2031	2033				
2032	2034				
2033	2035				
2034	2036				
2035	2037				
2036	2038				
2037	2039				
2038	2040				
2039	2041				
2040	2042				
2041	2043				
2042	2044				
2043	2045				
2044	2046				
2045	2047				
2046	2048				

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

The Bonds and the interest thereon are limited obligations of the Village secured and payable from (i) the Special Tax to be levied, extended and collected on all the taxable real property within the Area subject to the Special Tax, including interest on such Special Tax and the proceeds received from the County and the Foreclosure Proceeds, including any interest and penalties collected by the Trustee in connection with the Special Taxes, auction proceeds or Foreclosure Proceeds deposited to the Bond and Interest Fund and (ii) any amounts deposited in the Bond and Interest Fund, Special Redemption Fund and the Reserve Fund, including the interest, profits and other income derived from the investment thereof. When collected, the Special Tax and any Foreclosure Proceeds shall be placed in the Bond and Interest Fund. In addition, proceeds received by the Village from a condemnation of any of the Special

Services or any other property owned by or dedicated to the Village within the Special Service Area and allocable to the Bonds, shall be deposited to the Special Redemption Account and used to redeem Bonds.

The amount of Special Tax that the Village may levy in the Area in any year is strictly limited by the maximum rates approved by the corporate authorities at the time of formation of the Area. The Village is legally authorized under the Special Service Area Act, and has covenanted in the Trust Indenture, to extend and collect the Special Tax in an amount determined according to the Special Tax Report. Pursuant to the Bond Ordinance the Village has levied the Special Tax in the amounts set forth in the Maximum Special Tax column in the Table set forth below under the caption “THE SPECIAL SERVICE AREA AND SPECIAL TAX- Special Service Area Special Tax Report and Rate and Method of Apportionment”, and will abate such tax each year to the extent of prepayments of Special Taxes. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS - Special Tax” below. The Special Tax Report apportions the total amount of Special Tax to be collected among the Parcels in the Area as more particularly described herein. Any Mandatory Prepayment of the Special Tax shall be levied against the Parcels that result in application of the prepayment provisions. The Maximum Parcel Special Tax will remain unchanged for the Parcels that did not result in the application of the prepayment provisions only to the extent that such prepayment resulted from the issuance of an occupancy permit. Mandatory prepayments that result from a reduction in the number of lots in the Area would not reduce the Maximum Parcel Special Tax for remaining Parcels. See “THE SPECIAL SERVICE AREA AND SPECIAL TAX – Special Service Area Special Tax Report and Rate and Method of Apportionment” and “APPENDIX A – Special Service Area Special Tax Report.”

Special Tax

The establishment of the Area and the levying of the Special Tax will be authorized by the Corporate Authorities in Ordinance No. [REDACTED]-2018, adopted at a meeting held on February 27, 2018 (the “Establishing Ordinance”). Pursuant to the Establishing Ordinance, the Village will cause the Establishing Ordinance to be recorded on or before the date of delivery of the Bonds with the Recorder of Deeds of Kane County, Illinois.

The Bonds are secured by a pledge of Special Tax including all scheduled payments of Special Tax received by the Village, interest thereon, and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of Special Tax as well as by certain amounts on deposit pledged pursuant to the Trust Indenture. Pursuant to the Bond Ordinance the Village has levied the Special Tax in the amounts set forth in the Maximum Parcel Special Tax column in the Table set forth under the caption “THE SPECIAL SERVICE AREA AND SPECIAL TAX- Special Service Area Special Tax Report and Rate and Method of Apportionment”, and will abate such tax each year to the extent of any prepayments as calculated by the Consultant on its behalf. The Village has covenanted in the Bond Ordinance and the Trust Indenture annually on or before the last Tuesday of December for each of the years 2018 through 2046 to calculate or cause the Consultant to calculate the Special Tax Requirement for the immediately succeeding year, to amend the Special Tax Roll pursuant to Section G of the Rate and Method of Apportionment, provide the County tax collector with the amended Special Tax Roll, and to adopt an ordinance approving the amount of the current calendar year’s Special Tax Requirement and abating the Special Taxes levied pursuant to the Bond Ordinance to the extent the taxes levied pursuant to the Bond Ordinance exceed the Special Tax Requirement as calculated by the Village pursuant to the Establishing Ordinance and the Special Tax Report. On or before the last Tuesday of January for each of the years 2019 through 2047 the Consultant shall notify the Trustee of the amount of the Special Tax Requirement and the amount of the Special Taxes to be abated. The Village shall take all actions which shall be necessary to provide for the levy, extension, collection and application of the taxes to be levied pursuant to the Bond Ordinance, by providing the County with such information as is deemed necessary to enable the County to include any property subject to delinquent Special Taxes in the County Collector’s annual

tax sale. See “THE SPECIAL SERVICE AREA AND SPECIAL TAX- Special Service Area Special Tax Report and Rate and Method of Apportionment.”

The Village covenants that to the extent necessary to enforce a prepayment it will adopt a supplemental levy ordinance in the event of a mandatory prepayment of the Special Taxes pursuant to Section N of the Rate and Method of Apportionment caused by an amendment to the Preliminary Plat or any other event which reduces the Maximum Parcel Special Taxes as described in Rate and Method of Apportionment or a change in the expected number of Dwelling Units or Net Acreage as set forth in the final plat or plats of subdivision approved by the Village, to the extent that the mandatory prepayment amount calculated pursuant to the terms of the Rate and Method of Apportionment exceeds the Special Taxes levied for the year in which the prepayment is due pursuant to the Bond Ordinance.

Although the Special Tax, when levied, will constitute a lien on Parcels within the Area, it does not constitute a personal indebtedness of the owners of such Parcels within the Area. There is no assurance that the owners of such Parcels in the Area will be financially able to pay the annual Special Tax or that they will pay such tax even if financially able to do so. See “RISK FACTORS” herein.

Upon receipt by the Trustee of any prepayment of Special Taxes in an amount calculated and verified by the Consultant as being required pursuant to the Rate and Method of Apportionment to satisfy the lien on a Parcel within the Special Service Area, the Village and the Trustee shall execute a Satisfaction of Tax Lien substantially in the form of Exhibit C attached to the Trust Indenture, appropriately completed and the Trustee shall deliver the Satisfaction of Tax Lien to the Title Company for filing with the Recorder of Deeds of Kane County, Illinois. The Village shall deliver a copy of each such Satisfaction of Tax Lien to the property owner of record.

Additional Bonds

No additional bonds may be issued under the Trust Indenture.

Pledged Funds

Bond and Interest Fund. The Trust Indenture creates and establishes with the Trustee a separate and special fund of the Village established exclusively for paying principal of, interest on and redemption premium on the Bonds and which is designated as “The Special Service Area Number Twenty-Five Special Tax Bonds, Bond and Interest Fund” (the “Bond and Interest Fund”). When collected, the Special Taxes, any auction proceeds received from the County and the Foreclosure Proceeds, including any interest and penalties collected by the Trustee in connection with such Special Taxes, auction proceeds or Foreclosure Proceeds, shall be placed in the Bond and Interest Fund. Moneys deposited in the Bond and Interest Fund and investments of the Bond and Interest Fund shall never be commingled with or loaned to any other funds of the Village. All interest and other investment earnings on the Bond and Interest Fund shall become, when received, a part of the Bond and Interest Fund.

Amounts deposited in the Bond and Interest Fund are appropriated for and irrevocably pledged to, and shall be used solely for the purpose of, paying the principal of and interest on the Bonds, or for transfers to the Administrative Expense Fund and the Reserve Fund as permitted in the Trust Indenture.

At any time after September 1 but in no event later than December 1 of each year, the Trustee shall determine the amount needed to pay principal of and interest on the Bonds on the next succeeding Interest Payment Date. After the Trustee has determined that sufficient amounts are on deposit in the Bond and Interest Fund to pay principal of and interest on the Bonds on the next succeeding Interest Payment Date, the Trustee shall notify the Village and the Consultant of any excess amounts on deposit in

the Bond and Interest Fund, and, at the written direction of the Village, shall transfer an amount from the Bond and Interest Fund to the Administrative Expense Fund which the Village has determined will be adequate, together with other amounts in the Administrative Expense Fund or reasonably expected to be transferred to or deposited in such Fund, to pay all Administrative Expenses during the succeeding calendar year. After making such transfer to the Administrative Expense Fund any excess amounts on deposit in the Bond and Interest Fund shall be transferred to the Reserve Fund to the extent necessary to replenish the Reserve Fund to the Reserve Requirement and thereafter any remaining excess shall be retained in the Bond and Interest Fund and applied to pay principal of an interest next coming due on the Bonds; provided however that investment earnings on amounts on deposit in the Bond and Interest Fund on or prior to completion of the Additional Special Services shall be transferred to the Improvement Fund and thereafter retained in the Bond and Interest Fund.

Special Redemption Account. A separate account designated the “Special Redemption Account” exists within the Bond and Interest Fund established with the Trustee, and within such Account exists three subaccounts designated the “Special Redemption Account – General Subaccount”, “Special Redemption Account – Recapture Subaccount” and Special Redemption Account – Prepayment Subaccount.” The Village covenants that in the event it receives proceeds of any condemnation of the Special Services which are not used to rebuild the Special Services it will deposit such amounts in the Special Redemption Account – General Subaccount. In addition, all Recapturable Costs received by the Trustee pursuant to the Recapture Ordinances shall be deposited in the Special Redemption Account – Recapture Subaccount and all prepayments of the Special Taxes made in accordance with the Rate and Method of Apportionment shall be deposited in the Special Redemption Account – Prepayment Subaccount. In the event of any optional prepayment of Special Tax, prior to giving notice of redemption of the Bonds in accordance with Section 4.5 of the Trust Indenture, the Trustee shall transfer from the Reserve Fund to the Special Redemption Account – Prepayment Subaccount an amount equal to the Reserve Fund Credit as determined by and upon the direction of the Consultant. Moneys in the Special Redemption Account shall be used exclusively to redeem Bonds pursuant to Trust Indenture or to pay debt service on the Bonds pursuant to this paragraph. When the amount on deposit in the Special Redemption Account equals or exceeds an amount sufficient to redeem at least \$1,000 of Bonds (including accrued interest due thereon), such amount shall be used to redeem the Bonds on the next March 1, June 1, September 1 or December 1 in accordance with the Trust Indenture. On each such March 1, June 1, September 1 or December 1, the Trustee shall withdraw from the Special Redemption Account and pay to the owners of the Bonds the amounts to redeem the Bonds (including accrued interest due thereon) pursuant to the Trust Indenture. Notwithstanding the foregoing, any amounts which are less than the amount necessary to redeem \$1,000 of Bonds plus accrued interest contained in the Special Redemption Account for a continuous period of thirty (30) months and which will not be used to redeem the Bonds on the next March 1, June 1, September 1 or December 1 in accordance with the immediately preceding sentence and the Trust Indenture shall be used to pay debt service on the Bonds on the next Interest Payment Date. Any amounts contained in the Special Redemption Account on the final maturity date of the Bonds shall be used to pay outstanding debt service on the Bonds.

Reserve Fund. A separate and special fund of the Village which is designated as “The Special Service Area Number Twenty-Five Special Tax Bonds, Reserve Fund” (the “Reserve Fund”), into which there shall be deposited Special Taxes as provided under the Trust Indenture until such time as there is on deposit in such Reserve Fund an amount equal to \$[2,044,100]* (the “Reserve Requirement”). Amounts deposited in the Reserve Fund shall be used solely for the following purposes in the listed order of priority: (i) making transfers to the Bond and Interest Fund to pay the principal of, including mandatory sinking fund payments, and interest on all Bonds when due, in the event that moneys in the Bond and

* Preliminary, subject to change.

Interest Fund are insufficient therefor, (ii) making any transfers to the Bond and Interest Fund if the balance in the Reserve Fund exceeds the amount required to redeem all Bonds then outstanding, (iii) making transfers to the Special Redemption Account – Prepayment Subaccount in an amount equal to the Reserve Fund Credit pursuant to the Trust Indenture, or (iv) if the amount then on deposit in the Reserve Fund is at least equal to the Reserve Requirement, for transfer in accordance with the next paragraph.

On the Business Day prior to each Interest Payment Date, moneys in the Reserve Fund in excess of the Reserve Requirement shall be transferred to the Improvement Fund on or prior to the completion of the Additional Special Services and thereafter to the Bond and Interest Fund to be used to pay interest on the Bonds.

Improvement Fund. A separate account designated the “The Special Service Area Number Twenty-Five Special Tax Bonds, Improvement Fund” (the “Improvement Fund”) has been established with the Trustee. Moneys in the Improvement Fund shall be disbursed solely for the payment of the cost of acquiring, constructing and installing the Additional Special Services. Disbursements from the Improvement Fund shall be made by the Trustee upon receipt of a Disbursement Request of the Village substantially in the form attached as Exhibit D to the Trust Indenture executed by an Authorized Officer which shall (i) set forth the amount required to be disbursed, the purpose for which the disbursement is to be made, state that such Special Services or portions thereof have been completed in accordance with the terms of the [Agreement for Public Improvements], state that the disbursement is for the payment of a Special Service, and include payment instructions to the Trustee for the amount to be disbursed (which may provide for payment by the Trustee to a title company acceptable to the Trustee and the Developer in the event a construction escrow is utilized); and (ii) certify that no portion of the amount then being requested to be disbursed was set forth in any previous request for disbursement. A copy of each Disbursement Request shall be delivered by the Trustee to the Consultant.

On the date on which a certificate of an Authorized Officer of the Village is delivered to the Trustee certifying that the Additional Special Services have been completed (the “Completion Date”), the Trustee shall transfer all amounts remaining in the Improvement Fund to the Special Redemption Account to be applied to the redemption of the Bonds pursuant to the Trust Indenture provided, however, that any amounts transferred to be applied to the redemption of Bonds which do not equal \$1,000 or an integral multiple of \$1,000 may be applied to pay interest owing on the Bonds on the next succeeding Interest Payment Date. All investment earnings on amounts on deposit in the Improvement Fund prior to the Completion Date shall be retained therein to pay the costs of the Special Services.

Costs of Issuance Account. A separate account designated the “Costs of Issuance Account” has been established with the Trustee. Amounts deposited in the Costs of Issuance Account shall be used solely for the purpose of paying costs incurred in connection with the issuance of the Bonds and the refunding of the Series 2014 Bonds. Disbursements from the Costs of Issuance Account shall be made by the Trustee upon receipt of a written request of the Village which shall (i) set forth the amount required to be disbursed, the purpose for which the disbursement is to be made, that the disbursement is a proper expenditure from the Costs of Issuance Account, and payment instructions to the Trustee for the amount to be reimbursed; and (ii) certify that no portion of the amount then being requested to be disbursed was set forth in any previous request for disbursement. On the date which is six (6) months after the date of issuance of the Bonds, the Trustee shall transfer all amounts remaining in the Costs of Issuance Account to the Bond and Interest Fund.

Non Pledged Funds

Administrative Expense Fund. A separate and special fund of the Village which is designated as “The Special Service Area Number Twenty-Five Special Tax Bonds, Administrative Expense Fund” (the

“Administrative Expense Fund”) exists with the Trustee. Amounts transferred to the Administrative Expense Fund from the Bond and Interest Fund as provided in the Trust Indenture shall be withdrawn by the Trustee and paid to the Village or its order upon receipt by the Trustee of a written request from an Authorized Officer stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense, and the nature of such Administrative Expense. After payment of all Administrative Expenses due in any calendar year, any excess amounts on deposit in the Administrative Expense Fund shall be transferred to the Bond and Interest Fund.

Rebate Fund. A separate and special fund of the Village exists with the Trustee which is designated as “The Special Service Area Number Twenty-Five Special Tax Bonds, Rebate Fund” (the “Rebate Fund”), into which there shall be deposited as necessary investment earnings in the Bond and Interest Fund to the extent required so as to maintain the tax-exempt status of interest on the Bonds. All rebates, special impositions or taxes for such purpose payable to the United States of America (Internal Revenue Service) shall be payable from the Rebate Fund.

Investment of Funds

Moneys on deposit in Funds and Accounts established under the Trust Indenture may be invested from time to time in Qualified Investments pursuant to directions from the Village to the Trustee provided that moneys on deposit in the Special Redemption Account shall be invested in Qualified Investments having a maturity of 180 days or less. Except as otherwise expressly provided in the Trust Indenture, earnings or losses on such investments shall be attributed to the Fund or Account for which the investment was made. In the event that the Trustee does not receive written directions from the Village to invest funds held under the Trust Indenture, the Trustee shall invest such funds in the _____ Government Money Market Fund or a successor money market mutual fund. The Trustee is hereby authorized to execute purchases and sales of Qualified Investments through the facilities of its own trading or capital markets operations or those of any affiliated entity.

The Trustee shall send statements to the Village on a monthly basis reflecting activity in the account for the preceding month. Although the Village recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Village hereby agrees that confirmations of Qualified Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. See “Appendix B – Trust Indenture” for the definition of “Qualified Investments”. Amounts in the Administrative Expense Fund and Rebate Fund are not pledged to the repayment of the Bonds.

Security for the Bonds

The Bonds and the interest thereon are secured and payable solely from (i) the Special Tax levied, and to be extended and collected on all taxable property within the Area subject to the Special Tax, including interest on such Special Tax and the proceeds of the redemption or sale of property sold as a result of any actions to foreclose the lien of Special Tax and any interest accrued thereon, brought following a delinquency in the payment of the Special Tax (the “Special Tax”), (ii) any amounts transferred by the Village to the Bond and Interest Fund including amounts deposited to the Special Redemption Account representing the allocable portion of condemnation proceeds received by the Village not used to rebuild the Special Services, and (iii) amounts deposited in the Bond and Interest Fund and the Reserve Fund.

Covenants of the Village

Pursuant to the Trust Indenture, the Village has covenanted for the benefit of the owners of the Bonds (the “Bondholders”) that the Village will:

(a) take all actions, if any, which shall be necessary, in order further to provide for the levy, extension, collection and application of the taxes to be levied pursuant to the Trust Indenture and the Bond Ordinance including enforcement of the Special Taxes as described in clause (c) below;

(b) not take any action which would adversely affect the levy, extension, collection and application of the taxes to be levied pursuant to the Trust Indenture and the Bond Ordinance, except to abate those taxes to take into account prepayments to the extent permitted by the Trust Indenture and the Rate and Method of Apportionment;

(c) comply with all requirements of the Special Service Area Act, the Bond Ordinance and other applicable present and future laws concerning the levy, extension and collection of the taxes to be levied pursuant to the Trust Indenture and the Bond Ordinance; 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 it will take all actions necessary to assure the timely collection of the Special Taxes, including without limitation, by the enforcement of any delinquent Special Taxes by providing the County of Kane with such information as is deemed necessary to enable the County to include any property subject to delinquent Special Taxes in the County Collector’s annual tax sale. Any costs incurred by the Village shall be paid from amounts on deposit in the Administrative Expense Fund. In the event the Village does not proceed with a foreclosure action, the Trustee on behalf of the Village may proceed with such action to the extent permitted by law; and [NTD: Open issue on Village cooperating and allowing Trustee to foreclose on tax liens in the Village’s name.]

(d) prior to the Village approving any change in the Plat of Subdivision which changes the density of the Special Service Area or otherwise becomes aware of a change in density, provide prompt written notice to the Consultant of such fact and the circumstances resulting in the change in density and shall secure payment from the Owners of all affected lots to the extent required by the Trust Indenture.

Enforcement of Payment of Special Tax

The Village through the Consultant will bill and collect the Special Tax from owners of Parcels in the Area. In the event that a portion of the Special Tax is not paid when due, the Village may request that Kane County include the unpaid Special Tax in its annual tax sale, or the Village may seek to foreclose the lien for unpaid Special Tax pursuant to the Special Service Area Act. In Illinois, general ad valorem property taxes are levied in one year and become payable during the following year. At the end of each collection year, the Kane County Treasurer applies to the Circuit Court of Kane County for a judgment for all unpaid general ad valorem property taxes. The Circuit Court of Kane County order resulting from that application for judgment provides for a sale of all property with unpaid general ad valorem property taxes. A public sale is held, at which time successful bidders pay the unpaid general ad valorem property taxes plus penalties. The annual tax sale is usually held during December of any given year in Kane County. Unpaid general ad valorem property taxes accrue penalties at the rate of 1-1/2% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the purchaser of the delinquent taxes on the property at the general tax sale the amount paid at the sale, plus a penalty. If redemption does not occur within two and one half years, the purchaser of the property at the tax sale can

receive a deed to the property which has been sold for delinquent taxes. Any delinquent Special Tax for any given year would be included in this general tax sale. Alternatively, as indicated below, a municipality may seek enforcement of unpaid Special Tax through commencement of foreclosure proceedings pursuant to the Special Service Area Act. [NTD: Open pending resolution of the foreclosure issue.]

If a delinquency in the payment of the Special Tax occurs, the Village is authorized by the Special Service Area Act to order institution of an action pursuant to Article 9 of the Illinois Municipal Code (65 ILCS 5/9-1-1, et seq.) to foreclose any lien therefor securing the Special Tax. In such an action a court having jurisdiction would enter a foreclosure decree authorizing the sale of the property subject to the lien of the Special Tax, and the real property subject to the lien of the Special Tax would be sold at a judicial foreclosure sale. The ability of the Village to foreclose the lien of delinquent unpaid Special Tax may be limited in certain instances and may require prior consent of the property owner in the event that the property is owned by any receivership of the Federal Deposit Insurance Corporation (the “FDIC”). See “RISK FACTORS - Bankruptcy” and “RISK FACTORS - Tax Delinquencies.”

Such judicial foreclosure proceedings are not mandatory under the Special Service Area Act. However, in the Trust Indenture, the Village has covenanted with the holders of the Bonds to take all actions, if any, which shall be necessary to provide for the levy and extension, collection and application of the taxes to be levied pursuant to the Bond Ordinance, by providing the County with such information as is deemed necessary to enable the County to include any property subject to delinquent Special Taxes in the County Collector’s annual tax sale.

No assurances can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. See “RISK FACTORS - Potential Delay and Limitation in Foreclosure Proceedings” below. Article 9 of the Illinois Municipal Code provides that the municipality or its assignee may file a complaint to foreclose a special service area tax lien in the same manner that foreclosures are permitted by law in case of delinquent general taxes. The “law in case of delinquent general taxes” to which the Illinois Municipal Code refers is the Illinois Revenue Code. Under such foreclosure proceedings, the court adjudicates the existence of a default in the payment obligation and authorizes a foreclosure sale; the sale is conducted and the proceeds distributed according to the respective priorities; the successful bidder is given a certificate of sale; and, if the redemption period expires without a redemption of the special service area taxes, the certificate of sale may be converted to a deed. Special service area taxes, together with ad valorem taxes and special assessments, create a lien that is superior to other liens and encumbrances, and when general property taxes and Special Tax are both delinquent, the proceeds of any foreclosure action, if insufficient to pay each in full, are divided between them on a pro rata basis. If special service area taxes are not paid in full at a foreclosure sale, and the lien amounts are bid in at such foreclosure sale, then unless the special service area taxes are then redeemed through payment of the amount of the special service area taxes plus interest, the certificate of sale can be converted into a deed to the property only after expiration of the applicable redemption period. The Illinois Constitution prescribes certain minimum redemption periods for unpaid taxes on property, including special service area taxes, but the Illinois General Assembly may create longer redemption periods. For residential property with less than seven dwelling units, the Illinois Constitution provides for a minimum two-year redemption period. The corresponding statute, however, permits the delinquent owner of such property to redeem it for two and a half years (35 ILCS 200/21-350) and to obtain, upon request, an extension of this redemption period for an additional six months (35 ILCS 200/21-385). If the property can also be considered “vacant non-farm real estate,” the Constitution authorizes a reduction of the redemption period to one year, but the statute applicable to special service area taxes contains no such exception.

No assurances can be given that the real property subject to sale or foreclosure and sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent installment of special service area taxes. Neither the Special Service Area Act nor Article 9 of the Illinois Municipal Code requires the Village to purchase or otherwise acquire any lot or parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale. Article 9 of the Illinois Municipal Code does specify that the special service area taxes will have the same lien priority in the case of delinquency as the priority of the lien of ad valorem property taxes.

If the Reserve Fund is depleted and delinquencies in the payment of Special Taxes exist, there could be a default or delay in payments to the Bondholders pending the annual tax sale and/or prosecution of foreclosure proceedings and receipt by the Village of the sale and/or foreclosure sale proceeds, if any. However, within the limits of the Special Tax Report and the Special Service Area Act, the Village may adjust the Special Taxes levied on all property within the Area in future Calendar Years to provide an amount, taking into account such delinquencies, required to pay debt service on the Bonds and to replenish the Reserve Fund. The amounts of the Maximum SSA Special Taxes are sufficient to pay the amounts required by the Trust Indenture to be paid on the Bonds (except in the event of non-payment of a Mandatory Special Tax Prepayment); however, there are no assurances that the taxes levied will always be collected in their entirety.

Representative Property Taxes

The following table sets forth a statement of general ad valorem taxes, based on current rates, that would be expected to be assessed against Parcels improved with detached Single Family Homes in the Area based on the assumed assessed values for such property set forth below:

Ad Valorem Taxes – Village of Gilberts

Village of Gilberts	Single Family Home	Village of Gilberts	Single Family Home
Market Value	\$250,000	Market Value	\$250,000
Assessed Value	83,333	Assessed Value	83,333
Multiplier	1.00	Multiplier	1.00
Average Homeowner's Exemption	5,000	Average Homeowner's Exemption	5,000
Taxable Valuation	78,333	Taxable Valuation	78,333

Taxing Agency	Tax Rate (%)	Taxing Agency	Tax Rate (%)
Kane County	0.4201	Kane County	0.4201
Kane Forest Preserve	0.2253	Kane Forest Preserve	0.2253
Rutland Township	0.0362	Rutland Township	0.0362
Rutland Township Road District	0.0658	Rutland Township Road District	0.0658
Village of Gilberts	0.5806	Village of Gilberts	0.5806
Huntley School District Number 158	5.3066	Unit School District Number 300	6.1397
McHenry College Number 528	0.4066	Elgin College Number 509	0.5296
Huntley Park District	0.2510	Fox River Township Library	0.1941

Huntley Library	0.2378	Rutland Dundee Fire District	0.6824
Huntley Fire District	0.7638		
Total Tax Rate	8.2938	Total Tax Rate	8.8738
Representative Ad Valorem Tax	\$6,497	Representative Ad Valorem Tax	\$6,951

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- (1) Tax rates are for 2016 and assume a Parcel improved with a Single Family Home in the Village of Gilberts, Rutland Township, Huntley School District No. 158, Kane County, Illinois.
- (2) Tax rates are for 2016 and assume a Parcel improved with a Single Family Home in the Village of Gilberts, Rutland Township, Unit School District No. 300, Kane County, Illinois.

The Village has no control over the amount of additional debt payable from taxes or assessments on all or a portion of the property within the Area, that may be issued in the future by other governmental entities or districts. Nothing prevents the owners of land within the Area from consenting to the issuance of additional debt by other public agencies which would be secured by taxes or assessments on the same property subject to the Special Tax. To the extent such indebtedness is payable from assessments, and other special taxes levied pursuant to the Special Service Area Act or other taxes, such assessments, special taxes and other taxes may have a lien on the property within the Area in addition to and on a parity with the lien of the Special Tax. Accordingly, the liens on the property within the Area could increase without any corresponding increase in the value of the property within the Area and thereby reduce the ratio that exists at the time the Bonds are issued between the value of the property and the debt secured by the taxes and assessments thereon. The imposition of such additional indebtedness could also reduce the willingness and ability of the property owners within the Area to pay the Special Tax when due. See “RISK FACTORS—Overlapping Indebtedness.”

Moreover, in the event of a delinquency in the payment of a Special Tax, no assurance can be given that the proceeds of any foreclosure sale would be sufficient to pay the delinquent Special Tax and any other delinquent special taxes, assessments or taxes. See “RISK FACTORS – Appraised Values.”

PROPOSED DEVELOPMENT

The Developer intends to develop the Area with 874 Single Family Home Parcels and 26 acres of commercial area. The following chart shows information provided by the Developer with respect to the the developed and undeveloped Single Family Home Parcel count for Neighborhoods 2 through 5; the Developer’s cost to complete each lot for each Single Family Home Parcel; and the Developer’s total cost to develop each Neighborhood:

<u>Neighborhood</u>	<u>Total Lots</u>	<u>Developed</u>		<u>Undeveloped</u>		<u>Cost to</u>	<u>Remaining Cost</u>
		<u>Lots</u>	<u>Lots</u>	<u>Develop Per</u>	<u>Lot</u>	<u>to Develop</u>	
2	199	51	148	\$32,554.35		\$6,478,315.65	
3	152	0	152	\$30,256.97		\$4,599,059.44	
4	60	0	60	\$37,708.38		\$2,262,502.80	
5	96	0	96	\$37,708.38		\$3,620,004.48	

In addition, the remaining Neighborhoods in the Area are fully undeveloped and Developer does not presently have contracts to sell Single Family Home Parcels in such Neighborhoods. The proceeds of the Bonds will be used to finance the Additional Special Services consisting of expansion of the Village's water treatment plant, construction of new wells, improvements to Freeman Road and related costs of improvements to serve the Area.

The successful development of the Project will in large part depend upon the Developer's ability to successfully market the Project and sell lots and then turn over building of the single family homes to a large-scale production residential builder and use the proceeds thereof to fund the development of additional finished lots.

The Developer is under contract to sell 176 lots in Neighborhood 2 to NVR. NVR has agreed to purchase 40 lots per year until all of the lots in Neighborhood 2 are purchased so long as Developer completes the first fifty-one (51) lots in Neighborhood 2 to NVR's reasonable verification on or before March 31, 2018. Developer intends to complete such lots and send a Completion Notice to NVR by March 31, 2018. [NTD: the contract also provides SSA financing will close by March 31. As it appears that is not likely, this will need to be amended] In addition, Developer is required under the contract to complete all landscaping along Freeman Road on or before June 1, 2018. If Developer does not meet these conditions NVR may elect to terminate its contract or delay the lot purchase schedule set forth in the contract.

The Developer is also under contract to sell 152 lots in Neighborhood 3 to NVR. NVR has agreed to purchase 12 lots within 120 days following written notice from Developer to NVR (the "Completion Notice") that certain conditions precedent (e.g., all conditions of title have been met, Developer is not in default under their contract, the homeowner's association shall be established and recorded in the land records of the County, etc.) have been satisfied for 44 lots in Neighborhood 3. Thereafter, Developer shall then furnish NVR with subsequent Completion Notices; each such notice shall address no fewer than 10 lots after the initial Completion Notice. Provided Developer furnishes NVR such Completion Notices, then NVR shall purchase 32 lots during the first year and 40 lots per year for each subsequent year until all 152 lots are purchased. If Developer does not meet complete the lots within the agreed upon purchase periods, then NVR may may elect to terminate its contract or delay the lot purchase schedule set forth in the contract.

The Developer is also under contract to sell 48 lots in Neighborhood 4 and 102 [DEVELOPER TO CONFIRM] lots in Neighborhood 5 to Pulte Home Company LLC ("Pulte"). With respect to Neighborhood 4, Pulte agreed to purchase 48 lots following the (i) completion of Pulte's 90 day due diligence period and (ii) Pulte's receipt of Developer's completion notice, which notice shall state that the 48 lots are substantially completed and ready for the issuance of building permits. Provided Pulte purchases elects not to terminate the contract during its due diligence period and purchases said 48 lots in Neighborhood 4, then Pulte has two options to purchase lots in Neighborhood 5. The first option concerns 56 lots in Neighborhood 5, which Pulte is required to purchase no later than September 1, 2020. Provided Pulte purchases such 56 lots in Neighborhood 5, Pulte shall receive the second option to purchase 46 lots in Neighborhood 5. Pulte is required to purchase such 46 lots no later than March 31, 2022. All such lot purchases are conditioned on, among other things, the correction by Developer of any deficiency list items provided by Pulte.

The Developer has not yet obtained permanent financing for the Project from a financial institution and instead intends to fund costs from the sale of finished lot inventory and the proceeds of a \$2 million loan facility with Texas Capital Bank. See "RISK FACTORS" herein for a limited discussion of certain of the risks involved in the successful completion of the Project. The issuance of the Series 2014 Bonds was a function of a workout of the defaulted Series 2006 Bonds and, while the Developer has

been able to finish and sell to NVR [116] lots in Neighborhood 1 (which is not part of the Area), the successful development of the Project at this point is speculative. The information provided in this section "PROPOSED DEVELOPMENT" has been included because it may be considered relevant to an informed evaluation and analysis of the Bonds. No assurance can be given that the development of the Project will occur. If the development of the Project progresses and Parcels improved with Single Family Homes are sold, it is expected that the ownership of the land within the Area will become more diversified.

It should also be noted that several other single family developments were under development and built shortly before the Original Developer undertook the Project. Those other developments are and will remain direct competitors of the Project. No new market study or absorption projections have been prepared in connection with the issuance of the Bonds, so no assurance can be provided with regard to how quickly or successfully the Project will be completed. In addition, the Developer must undertake and complete permitting on several aspects of the Project, including, but not limited to environmental and water permitting. **Given the past history of this development, the current state of the economy and the lack of experience of the Developer, no assurance can be given, however, that the development of the Project will be completed or that it will occur in a timely manner. The Bonds and the Special Tax are not personal obligations of any land owners or the Developer. The Bonds are secured solely by the Special Tax and certain other amounts on deposit with the Trustee. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" and "RISK FACTORS."**

Sewer

A sewer main and lift stations to serve the development were installed as a part of an annexation agreement that was executed at the time that the Project was first planned. The sewer system is sized to be able to serve the Project as planned.

Water

The original annexation agreement also provided that new water wells and a water treatment and storage system would be installed to serve the Project. The water treatment system was designed with a maximum capacity of 6,608 PE (population equivalents) and is owned by the Village. As of the date hereof, the Village has indicated it will grant no further permits for additional units until Developer has completed the expansion of the water treatment system comprising a part of the Special Services. The water improvements comprising a portion of the Additional Special Services will provide an additional 6,608 PE, which should be sufficient to provide water service to the remainder of the Project.

Other Utilities

Cable television service is provided by AT&T U-verse and Wide Open West (WOW!). Telephone service is provided by AT&T. Gas service is provided by Northern Illinois Gas Company. Electric service is provided by Commonwealth Edison Company.

Access

Main access points for the Project will be initially from Galligan Road and Freeman Road. Additional access points will be developed over time as necessary.

Flood Plain/Wetlands

Certain portions of the Area are located in a flood plain and wetland areas; however, no construction of homes is anticipated in any of the wetland areas nor will construction of the homes impact the wetland systems. There are minor wetland impacts, both onsite and offsite, from roadway improvements. At the request of the U.S. Army Corps of Engineers (“ACOE”), the Developer has set aside a nine acre conservation easement to provide for a turtle habitat. The Developer’s consultant, V3 Companies of Illinois, Ltd., has completed two reports for the ACOE to review, one report for the northern portion of the Project and one report for the southern portion of the Project. This process will include traversing the entire site to identify the potential of a wetland presence. If a potential wetland area or Waters of the United States (“WOUS”) is encountered, the area will be qualified with wetland characteristics as determined by the 1987 Army Corps of Engineers Manual, together with the Midwest Regional Supplement, and it will be noted in the field log for the Area. The optimal time for such a process to be undertaken is during the growing season (between June 1 and November 30). The Developer expects that a wetland delineation report will be prepared early in the growing season.

Schools

The Area is served by Community Unit School District Number 300 (“District 300”), which is a unit school district that serves the southern portion of the Area and Consolidated School District 158 (“District 158”) that serves the northern portion of the Area.

District 300 was organized in 1948 and is governed by a seven-member Board of Education and a full-time administrative staff. District 300 provides pre-Kindergarten through twelfth grade education to residents of the villages of Algonquin, Carpentersville, East Dundee, Gilberts, Hampshire, Lake in the Hills, Pingree Grove, Sleepy Hollow and West Dundee in one early childhood center, one alternative school, sixteen elementary schools, five middle schools, and three high schools. District 300 had an enrollment of approximately 20,708 students in 2017 and comprises an area of 118 square miles. As of 2016, District 300 employed 2,016 full-time employees and 620 part-time employees. Of that number, 1,282 of the employees are teachers.

Students in elementary school may attend Gilberts Elementary School which is located in the Village and students in middle school may attend Hampshire Middle School which is located in the Village of Hampshire, less than 10 miles from the Village. Secondary education within the Village is currently provided by Hampshire High School also in the Village of Hampshire, Illinois, all within Dundee School District Number 300.

District 158, which serves the northern portion of the Area, is located in the northwest Illinois counties of McHenry and Kane, and serves the community of Huntley and portions of Algonquin, Lake in the Hills, Union and Lakewood, Illinois. District 158 employs more than 540 teachers, and employs over 1,000 certified and non-certified staff. District 158 serves more than 9,600 students in grades pre-kindergarten through twelfth grade.

Students in grades kindergarten through eighth grade living in the northern portion of the Area will attend school at the Square Barn Road Campus in Huntley, Illinois, approximately six miles northwest of the community. This campus provides the Mackeben Elementary School for students K through 2, the Conley Elementary School for students in grades 3 through 5, and the Heineman Middle School for students in grades 6 through 8. Huntley High School, in Huntley, Illinois, serves students in grades 9 through 12. Huntley High School is located approximately 6.5 miles from the Area.

Environmental Review

Environmental assessments were conducted in connection with the development proposed by the Original Developer and, among other things, the assessment provided the following findings:

- There are several farmsteads located throughout the site. Based on the age of the buildings, there is a possibility that each building contains asbestos materials that will require removal prior to demolition.
- There is a possibility that each farmstead, based on age and rural location, contains underground heating oil tanks.
- There is a possibility that each farmstead has a septic system and private drinking water well. Abandonment of the wells and septics will be required as part of site redevelopment.
- A possible Leaking Underground Storage Tank (“LUST”) on the site which was closed by the Illinois EPA on April 15, 1998. Nova, therefore, recommended caution during excavation and grading activities associated with the site.

No further assessments have been conducted since the time of the issuance of the Series 2006 Bonds. As the Project is developed and if contamination is found, the Developer will be responsible for remediation of any such contamination. While the Developer has not conducted any further environmental assessments at the Property, the Developer has provided the following information:

- No legacy buildings are located at the Project, and no asbestos materials are known to be present in the Area.
- No underground heating oil tanks are located in the Area.
- No septic systems or private drinking water well systems are located in the Area.

Zoning

Pursuant to Village Ordinance No. 05-45, Ordinance No. 05-46 and Ordinance No. 06-30 (collectively the “Zoning and Special Use Ordinance”), the Village has classified the property within the Area (other than the 42 acre parcel to be developed for commercial use which is zoned commercial) R-3, urban residence district, with a conditional use permit for the planned development of the Area. The Village has approved the preliminary plats and engineering plans, for 997 Units, of which 874 are located in the Area.

Permits

All environmental permits necessary to develop the Project as intended have not yet been obtained and will need to be obtained to complete the Project. The Project must comply with all federal, state and local laws relating to construction period erosion and sediment control, as well post-construction storm water management requirements. As the Project is broken down into ten (10) separate neighborhoods, a permit for each neighborhood will be required to be issued regarding compliance with such requirements. To date, only Neighborhood 1 (which is not part of the Area) has a complete set of signed and stamped copies of storm water management and pollutant discharge elimination plans. All neighborhoods will be required to be permitted prior to completion of the Project.

The Developer

The Developer is a Delaware limited liability company which is managed and owned by Troy Mertz. Mr. Mertz has owned and managed DiModa Homes, a suburban Chicago, Illinois luxury homebuilder, since 1999. The real estate recession created a shift in the product focus for DiModa Homes from multi-million dollar custom homes to moderately-priced semi-custom homes.

In addition to the Developer's recent success in developing Single Family Home Parcels in Neighborhood 1, Mr. Mertz through Antioch Land Trust, LLC, an affiliated entity, has recently also been developing the former Deercrest and Clublands developments in Antioch, Illinois and currently has a contracts with DRH Cambridge Homes, NVR and and Taylor Morrison Homes for the sale of developed single family lots.

Prior to his work with the Developer and with Delaware Trust & Lending, Mr. Mertz spent several years as an options trader, broker and market maker as a member of the Chicago Mercantile Exchange.

SITE PLAN

[To Be Provided by the Developer]

THE VILLAGE

General Description

The Village of Gilberts is located approximately 45 miles northwest of downtown Chicago and encompasses approximately 10 square miles. The Village was platted in 1855, incorporated in 1890 and is located in Kane County. The Village is served by the Big Timber Station on the Northwestern line of the Union Pacific Railroad, approximately 2 ½ miles east of the Project, which provides commuter service to downtown Chicago. The Village has experienced population growth as indicated in the chart below:

1970 (U.S. Census)	338
1980 (U.S. Census)	405
1990 (U.S. Census)	987
2000 (U.S. Census)	1,279
2004 Special Census	4,479
2010 (U.S. Census)	6,879
2016 est. (U.S. Census)	7,724

Village Organization and Administration

The Village is governed by an elected President and Board of Trustees. The President is the Village's chief executive officer and is elected to a four year term. The Corporate Authorities (the President and Board of Trustees) are elected on a non-partisan at large basis. Day to day operations of the Village are directed by the Village Administrator. The Village provides a broad range of services including police protection; planning, zoning and building inspection; water operation; and the maintenance of highways, streets and infrastructure.

Fire Protection

Fire protection service for the Village is provided by the Rutland/Dundee Fire Protection District which currently has 10 pieces of equipment and 9 full-time personnel with an additional 30 part-time personnel. The District currently has two fire stations, one of which is located in the Village.

Police Department

The Village has its own police department with a full-time chief, 7 full-time officers, and 10 part-time officers. The police department is supplemented by mutual aid agreements with surrounding municipalities.

Recreational and Library Services

Recreational opportunities are provided by the Dundee Park District and Rutland Forest Preserve. Library services are provided by Dundee Township.

Hospital Services

Hospital services are provided by Sherman Hospital and Presence St. Joseph Hospital, both in Elgin, approximately 7 and 5 miles, respectively, from the Area. In addition, Sherman Hospital has a clinic in Algonquin, approximately 5 miles from Gilberts.

Socioeconomic Information

The information set forth in the charts below has been included because it may be considered relevant to an investor of the Bonds. The Bonds are not, however, general obligations of the Village and the Bonds are secured solely by the Special Tax and certain other amounts on deposit with the Trustee.

Base Demographics

	<u>Gilberts</u>		<u>Kane County</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Total Population	6,879	100.0	515,269	100.0
	-	-	-	-
Male Population	3,409	49.6	256,815	49.8
Female Population	3,470	50.4	258,454	50.2
	-	-	-	-
White	5,269	76.6	384,548	74.6
African American	140	2.0	29,422	5.7
American Indian	13.0	0.2	2,887	0.6
Asian	985	14.3	17,895	3.5
Native Hawaiian or Islander	4.0	0.1	193	-
Other Races	468	6.8	80,324	15.6

Source: U.S. Department of Commerce, Bureau of Census, 2010 (DP-01)

Population Distribution by Age

Age	<u>Gilberts</u>		<u>Kane County</u>	
	<u>2010</u>	<u>%</u>	<u>2010</u>	<u>%</u>
Under 5	774	11.3	39,870	7.7
5 - 19	1,548	22.5	122,877	23.8
20 -34	1,406	20.4	98,541	19.2
35 -54	2,342	33.9	150,362	29.2
55 - 64	548	8.0	53,929	10.5
65 and over	261	3.8	49,690	9.6
Total	6,879	100.0	515,269	100.0
Median Age (Years)	33.3	-	34.5	-

Source: U.S. Department of Commerce, Bureau of Census, 2010 (DP-01)

Number and Size of Households

	<u>Gilberts</u>		<u>Kane County</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Persons in Households	6,879	100.0	508,482	98.7
Persons per Household (average)	3.1	-	3.0	-
Persons per Family	3.5	-	3.5	-
	-	-	-	-
Family Households	1,814	82.6	128,323	75.3
Non-Family Households	383	17.4	42,156	24.7
All Households	2,197	100.0	170,479	100.0
	-	-	-	-
Family Households by Type	-	-	-	-
Married Couple	1,597	23.2	101,008	19.6
Female Householders, No Spouse	142	6.5	18,700	11.0
Other	75	3.4	8,615	5.1
Total Family Households	1,814	82.6	128,323	75.3
	-	-	-	-
Non-Family Households by Type	-	-	-	-
Householders Living Alone	276	72.1	33,827	80.2
Other	107	27.9	8,329	19.75
Total Non-Family Households	383	100.0	42,156	100.0

Source: U.S. Department of Commerce, Bureau of Census, 2010 (DP-01)

Educational Attainment

	<u>Gilberts</u>		<u>Kane County</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Less than 9th grade	17.0	0.4	28,667	8.9
9th to 12th grade	134	3.2	26,034	8.1
High school graduate	654	15.8	77,438	24.0
Some college, no degree	828	20.0	65,796	20.4
Associate's degree	650	15.7	22,113	6.8
Bachelor's degree	1,272	30.7	66,582	20.6
Graduate or professional degree	591	14.3	36,378	11.3
Total	4,146	-	323,008	-
Percent high school graduate or higher	-	96.4	-	83.1
Percent bachelor degree or higher	-	44.9	-	31.9

Source: U.S. Department of Commerce, Bureau of Census, ACS, 2008-2012 (DP-02)

According to the U.S. Department of Commerce, Bureau of Census, the Village had median family income of \$108,711 for the years 2008-2012. Median Household income during that period was 107,930. Comparison numbers for the County are set forth in the table below.

Comparative Income Measures

	<u><i>Gilberts</i></u>	<u><i>Kane County</i></u>
Per Capita Income	36,716	29,730
Median Family Income	108,711	78,892
Median Household Income	107,930	68,674
% Families below poverty level	-	8.3

Source: U.S. Department of Commerce, Bureau of Census, ACS, 2008-2012 (DP-03)

The following table represents the distribution of household incomes for the Village and the County for the years 2008-2012.

Income Distribution

	<u><i>Gilberts</i></u>		<u><i>Kane County</i></u>	
	<u><i>Families</i></u>	<u><i>%</i></u>	<u><i>Families</i></u>	<u><i>%</i></u>
Income for Families				
\$0 - 9,999	-	-	3,959	3.1
10,000 - 14,999	-	-	2,344	1.8
15,000 - 24,999	-	-	7,377	5.8
25,000 - 34,999	129	7.2	9,685	7.6
35,000 - 49,999	157	8.8	14,390	11.2
50,000 - 74,999	292	16.3	23,054	18.0
75,000 - 99,999	215	12.0	19,325	15.1
100,00 - 149,999	614	34.3	26,089	20.4
150,000 - 199,999	265	14.8	11,632	9.1
200,000 or More	119	6.6	10,304	8.0
Total	1,791	-	128,159	-

Source: U.S. Department of Commerce, Bureau of Census, ACS, 2008-2012 (DP-03)

Employment statistics for the Village and the County from the U.S. Bureau of Census are shown in the following tables below.

Total Employment By Sector

Sector	<u><i>Gilberts</i></u>		<u><i>Kane County</i></u>	
	<u><i>Employed</i></u>	<u><i>%</i></u>	<u><i>Employed</i></u>	<u><i>%</i></u>
Agriculture & Forestry	-	-	1,444	0.6
Construction	177	4.8	15,464	6.3
Manufacturing	450	12.1	41,220	16.7
Wholesale Trade	173	4.7	10,164	4.1
Retail Trade	294	7.9	28,831	11.7

Transportation & Utilities	264	7.1	12,256	5.0
Information	106	2.9	5,406	2.2
Finance, Insurance & Real Estate	450	12.1	18,096	7.3
Professional, Scientific, Management	686	18.5	32,031	13.0
Educational, Health, Social Service	623	16.8	45,419	18.4
Arts, Entertainment, Recreation	156	4.2	19,461	7.9
Other Services	216	5.8	10,011	4.1
Public Administration	113	3.0	6,476	2.6
Total	3,708	-	246,279	-

Source: U.S. Department of Commerce, Bureau of Census, ACS, 2008-2012 (DP-03)

Total Employment by Occupation

Occupation	<u>Gilberts</u>		<u>Kane County</u>	
	<u>Employed</u>	<u>%</u>	<u>Employed</u>	<u>%</u>
Management, Professional & Related Service	1,838	49.6	83,895	34.1
Sales & Office	291	7.8	37,140	15.1
Natural Resources & Construction	1,173	31.6	65,264	26.5
Production, Transportation & Moving	225	6.1	19,352	7.9
Total	181	4.9	40,628	16.5
	3,708	-	246,279	-

Source: U.S. Department of Commerce, Bureau of Census, ACS, 2008-2012 (DP-03)

The following table reflects the number of building permits granted in the years 2006 through 2017 and the projected cost of the improvements in connection therewith.

Year	Number of Permits	Cost of Improvements
2006	179	\$22,422,762
2007	87	\$11,365,285
2008	53	\$6,535,632
2009	36	\$5,324,393
2010	62	\$7,369,969
2011	58	\$6,774,733
2012	40	\$4,529,822
2013	38	\$4,459,355
2014		
2015		
2016		
2017		

Source: Village of Gilberts

The following tables show relative value and age of housing in both the Village and the County.

Owner-Occupied Housing Values

	<u>Gilberts</u>		<u>Kane County</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Less \$50,000	17.0	0.8	2,752	2.1
\$50,000 to \$99,999	-	-	6,256	4.8
\$100,000 to \$149,999	25.0	1.2	14,533	11.3
\$150,000 to \$199,999	322	16.0	26,474	20.5
\$200,000 to \$299,999	787	39.1	38,465	29.8
\$300,000 to \$499,999	861	42.8	31,399	24.3
\$500,000 to \$999,999	-	-	8,043	6.2
\$1,000,000 or more	-	-	1,087	0.8
Total	2,012	-	129,009	-

Source: U.S. Department of Commerce, Bureau of Census, ACS, 2008-2012 (DP-04)

Housing Inventory

	<u>Gilberts</u>		<u>Kane County</u>	
Units in Structure	<u>Units</u>	<u>%</u>	<u>Units</u>	<u>%</u>
1-Unit Detached	1,456	67.9	125,036	68.9
1-Unit Attached	688	32.1	18,561	10.2
2 to 4 Units	-	-	14,785	8.1
5 to 9 Units	-	-	7,502	4.1
10 or more units	-	-	14,444	8.0
Mobile Home, Trailer, Other	-	-	1,259	0.7
Total Units	2,144	-	181,587	-

Source: U.S. Department of Commerce, Bureau of Census, ACS, 2008-2012 (DP-04)

THE SPECIAL SERVICE AREA AND SPECIAL TAX

The Special Service Area Act

Section 7(6) of Article VII of the Illinois Constitution of 1970 permits a non-home rule unit to levy or impose additional taxes upon areas within its boundaries to provide special services to those areas and to pay debt incurred in order to provide those special services in the manner provided by law. Such areas are established pursuant to the provisions of the Special Service Area Act. Under the Special Service Area Act, the Corporate Authorities of the municipality within which the special service area lies constitute the governing body of such special service area.

The Special Service Area Act provides that bonds may be issued to provide for the special services. Such bonds do not constitute indebtedness of the municipality in which the special service area is situated for the purpose of any limitation imposed by any law. Such bonds shall be retired by a tax which may be either an ad valorem property tax, a special tax, or a combination of an ad valorem property and a special tax. A special tax may be levied or imposed on any basis that provides a rational relationship between the amount of special tax levied or imposed against each lot or parcel within the special service area and the special service benefit conferred. The Special Service Area Act further provides that the lien and foreclosure remedies provided in Article 9 of the Illinois Municipal Code shall apply on non-payment of any special tax.

The Special Service Area Act contains a provision that allows residents of a special service area to petition the circuit court having jurisdiction to disconnect territory from the special service area if, among other things, such territory was not, is not, and is not intended by the corporate authorities which created the special service area to be benefited or served by services then existing or authorized, and that such territory constitutes less than 1 1/2% of the special service area's total equalized assessed valuation.

Establishment of the Area

Pursuant to the Special Service Area Act, the Corporate Authorities of the Village adopted Ordinance No. 17-2017 on July 11, 2017, proposing to establish the Area. Pursuant to notice given by publication at least once not less than 15 days prior to the hearing, and pursuant to notice by mail to each person in whose name general taxes for the last proceeding year were paid on each parcel of land within the Area, public hearings were held on September 12, 2017 and December 12, 2017 to consider

establishment of the Area. On February 27, 2018, the Village Board adopted the Establishing Ordinance, which established the Area to provide certain special services, and authorized the Village to levy and collect Special Taxes in the manner set forth in the Special Tax Report, to pay principal of and interest on the bonds secured by the Special Taxes in an aggregate principal amount not to exceed \$25,000,000 to be retired over a period not to exceed 30 years at an interest rate not to exceed 9%. Pursuant to the Special Service Area Act, if a petition signed by at least 51% of the electors residing within the Area and by at least 51% of the owners of record of land included within the boundaries of the Area is filed with the municipal clerk within 60 days following the final adjournment of the public hearing objecting to the creation of the Area, the issuance of the Bonds or the provision of the Special Services, then the Area may not be created. No such petition has been filed objecting to the creation of the Area and the sixty-day objection period has expired. The Village has caused the Establishing Ordinance to be recorded in the Office of the Recorder of Deeds of Kane County.

Levy, Abatement and Collection of Special Tax

In Illinois, property taxes levied in one year become payable during the following year as provided in said levy. Pursuant to the Bond Ordinance the Village has levied the Maximum Parcel Special Tax for all parcels within the Area. Pursuant to the Trust Indenture and the Special Tax Report, the Village has covenanted that prior to the last Tuesday of December of each year the Village President and Board of Trustees of the Village shall calculate or cause to be calculated the Maximum Parcel Special Taxes for the immediately succeeding year and to adopt an ordinance approving an amended Special Tax Roll and any abatement of the Special Taxes attributable to prepayments and no later than January 15 and July 15 of each succeeding year, commencing January 15, 2019, to bill directly Special Taxes to each property owner of record in the Area the amounts set forth in the Special Tax Roll as amended from time to time.

As described above, the Village will bill and collect the Special Tax, and in the event a portion of the Special Tax is not paid when due, the Village may request that Kane County include the unpaid Special Taxes in its annual tax sale, or the Village may seek to foreclose the lien for the unpaid Special Taxes pursuant to the Special Service Area Act. At the end of each collection year, the Kane County Treasurer applies to the Circuit Court of Kane County for a judgment for all unpaid taxes. The Circuit Court of Kane County order resulting from that application for judgment provides for a sale of all property with unpaid taxes. A public sale is held, at which time successful bidders pay the unpaid taxes plus penalties. The annual tax sale is usually held during December in Kane County. Unpaid taxes accrue penalties at the rate of 1 1/2% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the purchaser of the property at the tax sale the amount paid at the sale, plus a penalty. If redemption does not occur within two and one half years, and certain procedural requirements are met, the purchaser of the property at the tax sale can receive a deed to the property which has been sold for delinquent taxes. Alternatively, a municipality may seek enforcement of unpaid Special Tax through foreclosure proceedings by seeking in a court an adjudication of the existence of a lien and a finding of a failure to pay Special Tax when due. Upon making such a finding, a court having jurisdiction would enter a foreclosure decree authorizing the sale of the property subject to the lien of the Special Tax. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Enforcement of Payment of Special Tax" herein.

Special Service Area Special Tax Report and Rate and Method of Apportionment

The following description of the (i) Special Service Area Special Report and (ii) Rate and Method of Apportionment, each prepared by MuniCap Inc., Consultant, are qualified in their entirety by reference to the complete form of the Special Tax Report set forth in Appendix A hereto and the complete form of the Rate and Method of Apportionment set forth in Appendix E hereto. Capitalized terms used in this

section but not defined shall have the meaning given to such terms in the Special Tax Report or the Rate and Method of Apportionment.

The Rate and Method of Apportionment (particularly, the Special Tax Roll which is Exhibit A thereto) and the Special Tax Report set forth the provisions for apportioning and levying the Special Tax in the Area. The Special Tax will be levied in the Area each calendar Levy Year from 2020 to 2046 and will be collected each Calendar Year from 2021 to 2047. The amount of Maximum Special Tax to be levied pursuant to the Rate and Method of Apportionment has been calculated to provide an amount equal to at least 110% of the annual debt service on the Bonds.

The Maximum Special Tax levied by the Village within the Area in 2020, adjusted for prepayments, shall not exceed \$1,814,825; provided, however, that in no event shall the Maximum Special Tax levied exceed \$2,672,562 in any year the Maximum Special Tax shall be levied. Subject, however, to the mandatory prepayment provisions set forth in Section L of the Rate and Method of Apportionment, the Maximum Parcel Special Tax prepayment amount shall not exceed the principal amount of the Bonds plus any Premium, Defeasance and Fees as such terms are defined in Section L of the Rate and Method of Apportionment. See “THE BONDS - Optional Prepayment of Special Tax” and “ - Mandatory Prepayment of Special Tax.”

The following table sets forth certain information concerning the Special Tax, including the aggregate Maximum Special Tax and Maximum Parcel Special Tax to be levied:

[insert chart showing Maximum Special Tax and Maximum Parcel Special Tax by Year]

MuniCap Inc. (the “Administrator”) will provide administrative services for the Area for the Village pursuant to an Agreement for Administrative Services. The Administrator prepared the Special Tax Report and the Rate and Method of Apportionment. Under the Agreement for Administrative Services, the Administrator will (i) maintain a Parcel database necessary to extend, bill and collect the Special Taxes, (ii) calculate the amount of Special Tax to be abated for the Area, (iii) prepare an annual report for the Area, (iv) facilitate billing of the Special Tax, (v) monitor tax receipts and collections, (vi) track Special Tax prepayment amounts, (vii) field taxpayer inquiries, (viii) monitor sales practices and disclosure materials, and (ix) calculate any rebate on the Bonds.

SUMMARY OF THE AGREEMENT FOR PUBLIC IMPROVEMENTS

Introduction.

Set forth below is a brief description of the Agreement for Public Improvements. Such description does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the complete form of the Agreement for Public Improvements, which is included as Appendix D to this Limited Offering Memorandum.

Agreement to Construct Public Improvements.

Pursuant to the Agreement for Public Improvements, all Public Improvements (as defined in the Agreement for Public Improvements) shall be designed and constructed by or at the direction of the Village, and as approved by the Village, subject to compliance with all applicable laws, ordinances, rules and regulations.

Payment Procedures.

For all Public Improvements or portions thereof constructed by the Developer on behalf of the Village, the Developer may submit to the Village, not more than twice in any calendar month, a Request for Payment (as defined in the Agreement for Public Improvements) related to the portion of the Public Improvements that has been completed. The Village will inspect the same and determine if the work complies with the Final Plans (as defined in the Agreement for Public Improvements). For all Public Improvements or portions thereof in compliance, the Village will, within ten (10) business days, execute and deliver to the Developer and the Trustee a Disbursement Request in which the Village states it has inspected the work described therein and has approved payment therefor in the amount provided for in the Disbursement Request. If, in the Village's reasonable opinion, the Public Improvements or portion thereof are not in compliance with the Final Plans, the Village, within ten (10) business days of the Request for Payment, will notify the Developer in writing of the reasons that it believes that the work is not in compliance with the Final Plans and why it is not approving a portion or all of the requested disbursement, together with reasonably detailed explanations thereof. If the Village disapproves, in writing, any of the work for which the Developer has requested disbursement, then the Developer may resubmit to the Village even if such resubmission is within the same month as the original submission and the process described above will be repeated. Alternatively, the Developer may request the Village to authorize a Disbursement Statement for the lesser amount approved and forward that to the Trustee. However, if the Village fails to either approve or disapprove any of the work covered by the Request for Payment as provided above within such ten (10) business day period, the Village shall be deemed to have approved the work and shall deliver a Disbursement Request with respect thereto to the Trustee.

At such time as work covered by a Request for Payment is approved or deemed approved by the Village, the Village shall deliver a Disbursement Request to the Trustee with a letter directing the Trustee to disburse to Developer the amount of funds provided for in the Disbursement Request to the extent that funds are available in the Improvement Fund. In no event shall the Village's delivery of the Disbursement Request be deemed Village acceptance of the applicable Public Improvements.

Conditions Precedent to Payment.

The Agreement for Public Improvements provides that the Village shall authorize the distribution of funds by the Trustee to the Developer to pay for those portions of the Public Improvements which have been completed or partially completed upon satisfaction of the following conditions:

- a. The Developer has submitted to the Village a Request for Payment in accordance with payment procedures described above with respect to such portions the Village has issued, or is required to issue, a Disbursement Request to the Trustee with respect thereof; and
- b. The Developer is not in material default under the Agreement for Public Improvements, subject to the cure provisions in the Agreement for Public Improvements.

Continuing Information.

Pursuant to the Agreement for Public Improvements, the Developer will make available certain information on an on-going basis. See "CONTINUING INFORMATION — The Developer."

SUMMARY OF THE APPRAISAL

[to be inserted upon receipt of the appraisal.]

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 or willingness of property owners in the Area to pay their Special Tax when due. Such failures to pay Special Tax could result in the inability of the Area 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 the property in the Area.

Project History; Lack of Development Experience

The Bonds are being issued in the amount of \$[20,441,000]* for the purpose of (i) financing the Additional Special Services and (ii) refinancing the Series 2014 Bonds. The Series 2014 Bonds were issued to restructure the Series 2006 Bonds, which had been in payment default for several years. The Developer is not an experienced single family home builder and the success of the Project will depend, in large part, upon the success of the Developer in being able to market successfully the sale of Parcels and, in turn, to sell the Parcels to one or more experienced single family home builders who can complete the Project. While Developer currently has contracts in place to sell 176 lots in Neighborhood 2 to NVR, 152 lots in Neighborhood 3 to NVR, 48 lots in Neighborhood 4 to Pulte, and 102 lots in Neighborhood 5 to Pulte, the Developer has not secured long-term financing for the Project at this time other than a \$2,000,000 facility from Texas Capital Bank. The successful development of the Project is speculative and there is substantial risk that the Project may not be successfully developed.

Limited Source of Funds

The Bonds, together with the interest thereon, are limited obligations of the Village, payable solely from the Special Tax and the amounts, if any, on deposit in the various funds and accounts established and maintained under the Trust Indenture, all as more fully set forth therein. The Bonds are not general obligations of the Village or the Developer and do not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation. No holder of the Bonds or the Developer 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 (other than the levy of the Special Tax as provided in the Bond Ordinance and the Trust Indenture). See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS - General" herein.

Concentration of Ownership

The land within the Area is currently owned by the Developer. The Developer intends to develop the land within the Area as described in this Limited Offering Memorandum. There are expected to be subsequent transfers of ownership of the property to purchasers of Single Family Homes within the Area prior to completion of the Project. In addition, the Developer may sell some of the land to other developers. However, an increase in interest rates or other factors may result in slower sales of property in the Area by the Developer. Unless and until any such transfers and takedowns occur, the timely payment of the Bonds depends on the willingness and ability of the Developer to pay when due the Special Tax related to the portions of the Area it owns. The Developer has a limited source of funds. See

* Preliminary, subject to change.

“PROPOSED DEVELOPMENT - the Developer” above and “RISK FACTORS - Potential Delay and Limitations in Foreclosure Proceedings” below.

Information Not Verified

Information concerning the Area and the proposed development has been obtained from the Village, the Developer and other sources believed to be reliable, but much of that information involves predictions of future events, such as sales and ability of homeowners and other property owners to pay their share of the Special Tax; such information is, by its nature, not subject to verification.

Undeveloped Land

The Developer’s existing contracts to sell Parcels require that they first be fully-developed. Currently the Developer only has ___ lots which are finished within the Area and will need to expend funds to develop the remaining lots. To complete such development the Developer will need to either fund development from sales of existing lots [or through Developer’s \$2,000,000 facility from Texas Capital Bank]. Also, there is no guarantee that the pace funds generated from of lot sales by Developer [or Developer’s said \$2,000,000 facility] will be sufficient to fund its capital needs as additional neighborhoods are developed. Beneficial Owners and any prospective purchasers of the Bonds should not assume the Area will be developed and should analyze the security for the Bonds based on the land within the Area remaining undeveloped.

Failure to Develop Properties

As has been experienced in connection with the issuance of the Series 2006 Bonds, development of land is subject to economic considerations affecting the Developer and prospective purchasers of developed property including interest rates and the general economic climate of the region surrounding the Area. The failure to complete development of the required infrastructure or substantial delays in the completion of the Project due to litigation, the inability to obtain required funding, the inability to sell homes or other causes may reduce the value of the property within the Area and increase the length of time during which Special Tax will be payable by the Developer of taxable property within the Area. Such failure or delay may affect the willingness and ability of the owners of property within the Area to pay the Special Tax when due. Bondholders should assume that any event that significantly impinges on the ability to develop the Area would cause the property values within the Area to decrease substantially and could affect the willingness and ability of the owners of land within the Area to pay the Special Tax when due. See “PROPOSED DEVELOPMENT.”

Local, State and Federal Land Use Regulations

There can be no assurance that land development operations within the Area 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 Agreement for Public Improvements 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 Clear 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. Bondholders should assume that any event that significantly impairs the ability to develop land in the Area could cause the land values within the Area to decrease substantially and could affect the

willingness and ability of the owners of land to pay the Special Tax when due or to proceed with development of land in the Area. See “RISK FACTORS - Failure to Develop Properties” herein.

Competition and Market Conditions

There are other single family home developments in the areas surrounding the Project that have not become fully occupied and will be competitive with the Project. This competition could have an adverse impact on the future value of the property in the Area and the rate at which the Single Family Homes are sold and absorbed. In addition, competing projects may not be within a special service area, and therefore may not have the additional special tax burden, which could also affect absorption.

Dependence on Unimproved Property

Payment of the Bonds will be largely dependent upon, among other things, receipt of Special Tax imposed on Parcels not improved with Single Family Homes for a number of years in the future. See “THE SPECIAL SERVICE AREA AND SPECIAL TAX” and “PLAN OF FINANCE - Expected Tax Revenues and Debt Service Coverage” herein. Parcels not improved with Single Family Homes are less valuable per Parcel than Parcels improved with Single Family Homes. Parcels not improved with Single Family Homes also provide less security to the Bondholders should it be necessary for the Village to foreclose on such Parcels due to the nonpayment of the Special Tax. Because of the current concentration of ownership in the Developer, the timely payment of the Bonds depends upon the willingness and ability of the Developer and future owners to pay the Special Tax levied on the Parcels not improved with Single Family Homes when due. See “RISK FACTORS - Concentration of Ownership” above. A slowdown or stoppage in the continued improvement of Parcels with Single Family Homes could reduce the willingness and ability of the Developer to make Special Tax payments on Parcels not improved with Single Family Homes and could greatly reduce the value of such property in the event it has to be foreclosed.

Permits

Not all approvals and permits necessary to construct all of the Special Services and the other improvements that make up the Project have been obtained. As the Project proceeds, the Developer will obtain (i) final platting and engineering approvals necessary to complete the Project, and (ii) those other consents and approvals which are necessary to complete construction of the Project. Failure to obtain the necessary permits on a timely basis could adversely affect the completion of the Project.

Tax Delinquencies

In order to pay debt service on the Bonds, it is necessary that the Special Tax within the Area be paid in a timely manner. Under provisions of the Special Service Area Act, the Special Tax, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, are customarily billed to the property owners within the Area on the regular general ad valorem property tax bills sent to owners of such properties or on a special tax bill delivered at the same time as the regular ad valorem property tax bills. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do general ad valorem property tax installments. The unwillingness or inability of a property owner to pay ad valorem property tax bills as evidenced by general ad valorem tax delinquencies may also indicate an unwillingness or inability to make general ad valorem tax payments and Special Tax installment payments in the future. Also, the billing and collection of the Special Tax is the Village’s responsibility under the Special Tax Report. Because the Village, and not Kane County, is billing and collecting the Special Tax, the Special Tax will not be billed on the regular general ad valorem tax bills, making the failure to timely receive the Special Tax payments more likely. If the property

owners fail to pay the Special Tax when due there could be significant special tax delinquencies. See “RISK FACTORS - Concentration of Ownership.”

See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Enforcement of Payment of Special Tax” for a discussion of the provisions which apply, and procedures which the Village is obligated to follow under the Trust Indenture, in the event of delinquencies in the payment of Special Tax. See “RISK FACTORS - Potential Delay and Limitation in Foreclosure Proceedings” and “- Bankruptcy” below, for a discussion of limitations on the Village’s ability to foreclose the lien of delinquent unpaid Special Tax in certain circumstances.

Potential Delay and Limitations in Foreclosure Proceedings

As has been experienced in connection with the issuance of the Series 2006 Bonds, the payment of the Special Tax and the ability of the Village to foreclose the lien of a delinquent unpaid Special Tax may be limited by bankruptcy, insolvency and other laws generally affecting creditors’ rights or by the laws of the State of Illinois relating to judicial foreclosure. See “RISK FACTORS - Bankruptcy.” In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

The ability of the Village to foreclose the lien of a delinquent unpaid Special Tax payment may be limited with regard to properties in which the Federal Deposit Insurance Corporation (“FDIC”) or any successor to the FDIC may acquire an interest. The FDIC currently does not have an interest in the land within the Area. However, if a lender takes a security interest in property in the Area and becomes insolvent, such a lender could fall under the jurisdiction of the FDIC. The FDIC could assert federal preemptive power to challenge any prior taxes, special taxes and assessments where it is in their interest to do so, including the requirement that local agencies obtain the consent of the FDIC in order to foreclose the lien of delinquent unpaid special taxes.

If the Village is required to obtain the consent of the FDIC to foreclose on property located in the Area, such consent could be denied and the Village might be unable to pursue foreclosure proceedings. Additionally, obtaining such consent could delay the foreclosure proceedings. Any delay in foreclosure proceedings or the inability of the Village to foreclose on property in the Area in which the FDIC has an interest could result in a delay or default in payment of the Bonds.

In addition, potential investors should be aware that judicial foreclosure proceedings are not summary remedies and can be subject to significant procedural and other delays caused by crowded court calendars and other factors beyond the control of the Area or the Village. In addition, the Illinois Constitution prescribes certain minimum redemption periods, which may be as long as three years, in the event of foreclosure. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS - Foreclosure of Liens.” It should be assumed that, under current conditions, it is estimated that a judicial foreclosure of the lien of the Special Tax could take several years from initiation of litigation to the lien foreclosure sale.

Delays and uncertainties in the Special Tax lien foreclosure process create significant risks for Bondholders. High rates of Special Tax payment delinquencies which continue during the pendency of protracted Special Tax lien foreclosure proceedings, could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of Parcels in the Area upon foreclosure. In that event, there could be a default in payments of the principal of, and interest on, the Bonds. See “RISK FACTORS - Concentration of Ownership” above.

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 or other similar laws affecting the rights of creditors generally.

Although a bankruptcy proceeding would not cause the Special Tax to become extinguished, the amount and priority of any Special Tax lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by a bankruptcy court having jurisdiction. In addition, bankruptcy of a property owner could result in a delay in commencement and completion of foreclosure proceedings. The filing of bankruptcy proceedings stays all legal proceedings of a debtor including any tax sale during the pendency of such proceedings. Such stay would increase the likelihood of a delay or default in payment of the principal of, and interest on, the Bonds and the possibility of delinquent Special Tax installments not being paid in full.

Maximum Special Taxes

Pursuant to the Bond Ordinance, the Village has levied the Special Tax in the maximum amounts permitted by the Special Tax Report. However, there is no assurance that the maximum amounts will at all times be sufficient to pay the amounts required to be paid by the Trust Indenture. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Special Tax" and "THE SPECIAL SERVICE AREA AND SPECIAL TAX – Special Service Area Special Tax Report and Rate and Method of Apportionment."

The Illinois State Legislature recently passed SB 107, which provides for, beginning with levy year 2015, an annual exemption amount from property taxes ranging from \$2,500 to full exemption for veterans of the United States Military with a service-connected disability. The Village cannot predict how, if at all, SB 107 will affect the Village's collection of the Special Taxes.

Disclosure to Future Purchasers

The Village has recorded the Establishing Ordinance for the property included in the Area in the Office of the Recorder of Deeds of Kane County on or prior to the Date of Delivery of the Bonds. It is intended that the Developer will be selling property within the Area to third party homebuilders who will subsequently transfer such properties to individual home buyers, who will then be responsible for paying property tax. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of Parcels or the lending of money thereon.

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 bankruptcy, insolvency, or similar laws affecting generally the enforcement of creditors' rights. Additionally, the Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Trust 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.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Except as described below under the caption "CONTINUING DISCLOSURE", neither the Village nor the Developer has committed to provide any financial or operating data or information on a going forward basis. See "Appendix B - Trust Indenture." Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. In addition, prices of issues for which a market is being made will depend on then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Loss of Tax Exemption

Interest on the Bonds could become includible in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds as a result of a failure of the Village to comply with certain provisions of the Code. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption or mandatory redemption provisions of the Trust Indenture.

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, levy, collections or distribution could have a material effect on the calculation or availability of the Special Tax. There is no assurance that legislation will not be considered or enacted in the future, and unless provision is made in such legislation for special service areas generally in Illinois, the generation of the Special Tax could be materially adversely affected.

Change in Density

As set forth in this Limited Offering Memorandum, the Developer intends to develop the Area with Single Family Homes and commercial property. The Special Tax Report allocates the Special Tax on the basis of said 874 Single Family Homes and 26 acres of commercial property. However, in the event of a reduction in the number of Single Family Homes or the loss of commercial property below which causes the debt service coverage ratio for the Bonds to be less than 110%, the Special Tax allocated to the lost Single Family Homes or lost commercial property acreage cannot be recovered by increasing the Special Tax on the remaining Single Family Homes, or other commercial property within the Area. The Special Tax Report calls for a mandatory prepayment of the Special Tax in the event of such change. Pursuant to the Special Tax Report, if the mandatory prepayment is not paid, such prepayment amount may be levied on any Parcel for which such prepayment is not made. The levy of such mandatory prepayment amount shall have the same sale and lien priorities as are provided for general ad valorem property taxes. In the event such levy is not paid, the Village may collect the same through a tax sale proceeding, which may result in a delay in collection of that portion of the Special Tax.

UNDERWRITING

D.A. Davidson & Co. ("Underwriter") has agreed to purchase the Bonds from the City for reoffering, subject to certain conditions, at an aggregate purchase price of \$_____, which price reflects principal amount of the Bonds of \$_____, plus net original issue premium of \$_____, and less Underwriter's discount of \$_____. Under the bond purchase agreement between the City and

the Underwriter (the “Bond Purchase Agreement”), the Underwriter is obligated to purchase all of the Bonds if any are purchased. The obligation of the Underwriter to make such a purchase is subject to certain conditions set forth in the Bond Purchase Agreement. The Underwriter may change the prices and other terms with respect to the offer and sale of the Bonds from time to time after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering price set forth on the cover page of this Official Statement, including sales to dealers. The Underwriter is not responsible for the information contained within this Limited Offering Memorandum and has not engaged in independent investigations to verify certain of the information contained within this Limited Offering Memorandum and is not responsible for its contents. The Underwriter’s responsibilities with respect to this Limited Offering Memorandum are solely as dictated by its obligations under federal securities law.

LEGAL OPINIONS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Foley & Lardner LLP, Chicago, Illinois, Bond Counsel. The proposed form of the opinion of Bond Counsel is included herein as Appendix C. Certain legal matters will be passed upon for the Underwriter by its counsel, Bryan Cave LLP, Chicago, Illinois, and for the Village, by its counsel, Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, P.C., Chicago, Illinois.

TAX MATTERS

In the opinion of Foley & Lardner LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under the Code and is not a specific preference item for purposes of determining an individual’s or a corporation’s federal alternative minimum taxable income. However, Bond Counsel observes that interest on the Bonds is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. Interest on the Bonds is not exempt from State of Illinois income taxes.

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 a purchaser’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such purchaser. Thus, the amortization of Bond premium may have an effect on a bondholder’s recognition of gain or loss when a Premium Bond is sold or paid off. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

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 Bondholder, 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 the Bonds is sold to the public (excluding bond houses, brokers, or 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 Bond on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue

discount is added to the adjusted basis of such Bond to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequence 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 Bond was sold to the public.

Section 103 of the Code imposes various restrictions, conditions and requirements relating to 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 designed to insure that interest on the Bonds will not be included in a bondholder's gross income for federal income tax purposes. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the original issue date of the Bonds. The opinion of Foley & Lardner LLP assumes compliance with these covenants. Foley & Lardner LLP 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 date of issuance of the Bonds may adversely affect the value of or the tax-exempt status of interest on the Bonds. Further, Foley & Lardner LLP does not give assurance that pending or further legislation or amendments to the Code, if enacted into law, will not adversely affect the value of or the tax exempt status of interest on the Bonds. Beneficial Owners are encouraged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Certain requirements and procedures contained or referred to in the Indenture, the Bond Ordinance, the Tax Agreement and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances subject to the terms and conditions set forth in such documents. Foley & Lardner LLP expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Foley & Lardner LLP.

Although Foley & Lardner LLP 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 a Beneficial Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Foley & Lardner LLP expresses no opinion regarding any such other tax consequences.

No assurance can be given 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 or state income taxation, or otherwise prevent the Bondholders from realizing the full current benefit of the tax status of the interest thereon. Further, no assurance can be given that any such future legislation, or any actions of the IRS, including, but not limited to, selection of the Bonds for audit examination, or the course or result of any examination of the Bonds, or other bonds which present similar tax issues, will not affect the market price for the Bonds.

CONTINUING DISCLOSURE

The Bonds are being issued in authorized denominations of \$100,000 and integral multiples of \$1,000.00 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 exemption from Rule 15c2-12, the Village and the Developer have entered into a Continuing Disclosure Agreement (the “CDA”) with Amalgamated Bank of Chicago, as dissemination agent (the “Dissemination Agent”) and have agreed to provide certain information as follows, all of which will be provided to the Dissemination Agent for further delivery to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) system:

Village’s Annual Report. Within 240 days after the end of each fiscal year of the Village (currently ending April 30) the Village agrees to provide an Annual Report that will contain or incorporate by reference a copy of the annual report prepared by the Special Tax Consultant showing the Special Taxes received, all disbursements from all Funds and Accounts administered under the Trust Indenture, including the balances in all Funds and Accounts relating to the Bonds and the Special Services as of the end of such fiscal year, the collection of taxes, delinquencies, tax sales and foreclosures.

Developer’s Quarterly Report. Within 30 days after the end of each quarter, until such time as 90% of the Single Family Home Parcels are sold to homeowners, the Developer is required to provide a Quarterly Report which shall contain information regarding (i) the number of residential dwelling units and/or bulk property sales within the Special Service Area; (ii) the number of residential dwelling units on which construction has commenced within the Special Service Area; (iii) any pending litigation which would adversely affect the ability of the Developer to develop the Special Service Area or to pay the Special Tax for the Special Service Area; (iv) any material change in the structure or ownership of the Developer; (v) the termination of any contracts Developer has entered into with homebuilders; (vi) any failure of the Developer or any affiliate, sharing the same or similar ownership as the Developer, to pay by the date due general ad valorem property taxes on the Special Service Area, the Special Tax for the Special Service Area, or any other governmental charge on the Special Service Area; (vii) any denial or termination of credit which is likely to have a material adverse effect on the ability of the Developer to develop the Special Service Area or complete the Special Services; (viii) any denial or termination of, or default under, any letter of credit, line of credit or loan or any other loss of a source of funds that the Developer requires for the completion of the development of the Special Service Area or the construction of the Special Services; (ix) the occurrence of any event of bankruptcy with respect to the Developer which is likely to have a material adverse effect on the ability of the Developer to develop the Special Service Area or construct the Special Services; (x) any significant amendments to land use entitlements for the Special Service Area if such amendments are likely to prevent or delay the development of the Special Service Area; (xi) any previously undisclosed governmentally-imposed preconditions to commencement or continuation of development of the Special Service Area if such preconditions are likely to prevent or delay the development of the Special Service Area; (xii) any previously undisclosed legislative, administrative or judicial challenges to development of the Special Service Area, the construction of the Special Services or the collection of the Special Tax for the Special Service Area; (xiii) any changes of which the Developer is aware, if material, in the alignment, design or likelihood of completion of significant public improvements affecting the Special Service Area, including major thoroughfares, sewers, water conveyance systems and similar facilities; and (xiv) any update to the information set forth in the Limited Offering Memorandum to the extent not already addressed in circumstances (i) through (xiii) above.

Event Disclosure. The Village is also required to provide notice of the occurrence of certain events with respect to the Bonds in a timely manner, not in excess of ten (10) business days after the occurrence of such event. Such events are as follows:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;

- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancement reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security or other materials events affecting the tax status of the security;
- (7) Modification to rights of security holders, if material;
- (8) Bond calls, if material;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Tender offers;
- (13) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
- (14) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (15) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

An event of default under the CDA will not constitute an Event of Default under the Trust Indenture and the only remedy under the CDA is for an action to compel performance. The CDA may be amended or any provision of the agreement may be waived at the election of either the Village or the Developer, so long as the requesting party has received the written consent of a majority in aggregate principal amount of the Bonds outstanding.

NO LITIGATION

The Village

At the time of issuance of the Bonds, the Village will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending with respect to which the Village has been served with process or is otherwise aware, or, to the knowledge of the officer of the Village executing such certificate, threatened against the Village affecting the existence of the Village, the Area or the titles of its officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Bond Ordinance and/or the Trust Indenture, or the collection or application of the Special Tax, or in any way contesting or affecting the validity or enforceability of the Bonds, the

Bond Ordinance, the Trust Indenture, or any action of the Village contemplated by any of the said documents, or the collection or application of the Special Tax, or in any way contesting the completeness or accuracy of the Bond Ordinance, the Trust Indenture or any amendments or supplements hereto, or contesting the powers of the Village contemplated by any of said documents, nor, to the knowledge of the officer of the Village executing such certificate, is there any basis therefor.

The Developer

At the time of issuance of the Bonds, the Developer will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened by or against the Developer: (i) in any way questioning the due formation and valid existence of the Developer; (ii) in any way questioning or affecting the validity of the consummation of the transactions contemplated hereby; (iii) in any way questioning or contesting the validity of any governmental approval of the Project or any aspect thereof; or (iv) which would have a material adverse effect upon the financial condition of the Developer or the ability of the Developer to develop the Project.

NO RATING

The Village has not made, and does not currently contemplate making, an application to any rating agency for the assignment of a rating to the Bonds.

MISCELLANEOUS

The references, excerpts, and summaries of documents and statutes contained in this Limited Offering Memorandum do not purport to be complete statements of the provisions of such documents and statutes, and reference is made to all such documents and statutes for full and complete statements of their terms and provisions.

The estimates, assumptions, statistical and financial information, and all other information contained in this Limited Offering Memorandum have been compiled from official and other sources believed to be reliable; however, none of such estimates, assumptions, or information is guaranteed by the Village, the Developer, the Special Tax Consultant, or the Underwriter as to completeness or accuracy.

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 contained herein will be realized. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any offer or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village or the Area since the date hereof.

AUTHORIZATION

Both the Village and the Developer have authorized the execution and distribution of this Limited Offering Memorandum.

VILLAGE OF GILBERTS,
an Illinois municipal corporation

By: _____
Its: _____

GILBERTS DEVELOPMENT LLC, a Delaware
limited liability company

By: _____
Its: Managing Member

APPENDIX A

Special Service Area Special Tax Report

APPENDIX B

Trust Indenture

APPENDIX C

Bond Opinion

[Form of Opinion of Bond Counsel]

APPENDIX D

Agreement for Public Improvements

APPENDIX E

Rate and Method of Apportionment

APPENDIX F

Appraisal

SSA NO. 25 PUBLIC IMPROVEMENTS AGREEMENT

This Public Improvements Agreement (“Agreement”) entered into this ___ day of _____, 2018 is between the Village of Gilberts, Illinois (“Village”) and, Gilberts Development LLC, a Delaware limited liability company (“Developer”). The Village and the Developer are sometimes hereinafter referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

A. The Developer owns fee simple title to that certain real estate located in Kane County, Illinois and the Village which is legally described in **Exhibit A** hereto and designated thereon as the “Property” (hereinafter “Property” or “Area”).

B. The Developer desires to develop the Area with dwellings (“Dwelling Units”) in a subdivision to be known as “Conservancy” (“Development”). The Development shall be constructed in accordance with the First Amendment to an Annexation and Development Agreement (“Annexation Agreement”) dated January 31, 2017, and recorded on February 3, 2017, as Document No. 2017K006674, Ordinance No. 05-2017, an Ordinance Approving a First Amendment to an Existing Planned Unit Development and the Preliminary PUD Plan for the Conservancy Development, recorded on February 3, 2017, as Document No. 2017K006675, (“PUD”), the Preliminary Engineering Plans (“Preliminary Engineering”) approved by the Village Engineer, and all subsequent approvals and amendments thereto (collectively “Entitlement Documents” or Entitlements”).

C. The Village has authority to enter into this Agreement under the Special Service Area Tax Law, 35 ILCS 200/27 *et seq.* and the Illinois Constitution Article VII Section 7.

D. In the Entitlement Documents, the Village required the Developer to commit to construct certain off-site improvements in connection with the Development and to dedicate rights-of-way or easements which, upon completion thereof would be dedicated, conveyed or otherwise become the property of or subject to the maintenance and control of, the Village.

E. The Public Improvements are unique and special services within the meaning of 35 ILCS 200/ 27-5 that will benefit the Area specially and are in addition to the municipal services provided to the Village as a whole. All of the Public Improvements are to be located in either publicly dedicated rights-of-way, on public lands or in publicly dedicated easements and shall generally consist of and include all improvements identified as Public Improvements in the Trust Indenture, and other eligible costs (“Public Improvements”). The Village has agreed to issue Special Service Area Bonds to finance a portion of the costs of the Public Improvements, and to pay capitalized interest; to establish a reserve fund; to pay issuance costs; to pay the Special Service Area No. 25 administration costs; and to reimburse the Village for its expenses including but not limited to engineering fees, legal fees and all other consulting fees relating to the Bonds as defined below. The Public Improvements and the estimated related costs are attached hereto as **Exhibit B**. The Public Improvements are described in more detail in the Entitlement Documents and the exhibits attached thereto and all incorporated by reference herein.

F. The President and Board of Trustees of the Village (“Corporate Authorities”) determined in Ordinance No. 03-2018, adopted at a meeting held on February 27, 2018 (“Establishing Ordinance”) that the Area would benefit specially from construction of the Public Improvements and that it would be in the best interest of the Village to designate the Area as “Special Service Area No. 25” pursuant to Article VII, Section [7] of the Illinois Constitution and the Illinois Special Service Area Tax Law, 35 ILCS 200/27-5 *et seq.* and authorizing the levy of special service area taxes upon the taxable real property within the Special Service Area No. 25.

G. On _____, the Corporate Authorities adopted Ordinance 04-2018 (“Bond Ordinance”) authorizing the issuance of Village of Gilberts, Kane County, Illinois, Special Service Area Number 25 Special Tax Bonds, Series 2018 (Conservancy Project) (“Bonds”) to pay a portion of the costs for the Public Improvements, including the financing and other costs associated with the funding of the Public Improvements as described above.

H. The Parties agree that the Developer shall construct the Public Improvements on behalf of the Village and in accordance with the terms and provisions of the Entitlement Documents. The proceeds from the sale of the Bonds shall be under the control of the Village and shall be used to pay for the Public Improvements.

I. The proceeds from the sale of the Bonds (“Bond Proceeds”) to be used by the Village to pay for the Public Improvements shall be held by an institutional trustee, as trustee for the Bond Holders (“Trustee”), in an account entitled the “Improvement Fund” in accordance with a trust indenture relating to the Bonds (“Trust Indenture”).

J. The Corporate Authorities determined that the Development is in the vital and best interest of the Village and the health, safety, morals and welfare of its residents, that property within Special Service Area No. 25 will benefit specially from the municipal services to be provided to the area and the financing of the Public Improvements by the Village is in accordance with the public purposes and provisions of applicable state and local laws.

K. This Agreement has been submitted to the Corporate Authorities for consideration and review, and the Corporate Authorities have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the Village according to the terms hereof. The Developer has taken all actions necessary and adopted the proper resolutions to make this Agreement binding upon the Developer according to the terms hereof.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Village and the Developer hereby agree as follows:

ARTICLE ONE
Recitals Part of Agreement

The representations, covenants and recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Article One.

ARTICLE TWO
Mutual Assistance

The Developer and Village agree to take such actions, including the execution and delivery of such documents, instruments, petitions, certifications (and in the Village's case, the adoption of such ordinances and resolutions), as may be necessary or appropriate from time to time to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

ARTICLE THREE
Construction of the Public Improvements

3.1 Construction of Public Improvements by the Developer. As required by the Illinois Special Service Area Tax Law, 35 ILCS 200/27-5 *et seq.* the Public Improvements provide a special service specific and unique to the Area, and are essential to the Development; the Developer shall construct the Public Improvements for the benefit of and on behalf of the Village as provided in this Article Three. Construction of the Public Improvements shall commence within six months after the sale of the Bonds. With respect to the Public Improvements to be constructed with the Bond Proceeds, such proceeds shall be fully expended on the Public Improvements within thirty-six (36) months after the sale of the Bonds, provided that all necessary approvals and permits have been granted by the Village. With respect to all Public Improvements, they shall be dedicated or conveyed to the Village after acceptance by the Village and after the sale of the Bonds as provided in this Agreement, provided that all necessary approvals and permits have been granted by the Village. The Public Improvements shall be paid for as provided in Article Five of this Agreement.

3.2 Duty of the Developer to Construct.

a. The Developer, on behalf of the Village, shall cause the Public Improvements to be constructed as a special and unique benefit to the Area. In accordance with the Entitlement Documents, all Public Improvements shall be located in either publicly dedicated rights-of-way, on public lands, in publicly dedicated easements or on land to be dedicated to the Village. The Village acknowledges that it does not intend to design, bid or construct the Public Improvements. The Village agrees that the Developer shall construct the Public Improvements using subcontractors and materialmen selected from time to time by the Developer in the Developer's sole discretion without advertising for bids as permitted by the provisions of Section 65 ILCS 5/8-9-1 of the Illinois Municipal Code. All Public Improvements to be constructed hereunder shall be constructed in accordance with all applicable laws, ordinances and rules as modified by the Entitlement Documents and shall be constructed in a good workmanlike fashion and commercially reasonable manner. At all times, the Developer shall employ and/or contract with adequate staff, consultants and contractors possessing the requisite experience necessary to administer and coordinate the construction of the Public Improvements.

b. The Village agrees to accept the Public Improvements in accordance with Section 3.9 of this Agreement.

c. The Parties agree that the Developer shall receive payment for the construction of the Public Improvements in an amount equal to the amount or amounts shown on the budget or budgets attached hereto as Exhibit B, which amounts include a factor for the Developer's construction administration and supervisory expenses ("Budgeted Amount"). In the event that the actual cost of constructing a particular Public Improvement exceeds the cost budgeted for that Public Improvement ("Excess Cost"), the Developer shall be permitted to utilize funds allocated to other Public Improvements to pay the Excess Cost. Provided, however, that any Public Improvements to be paid for with Bond Proceeds must be in conformity with the Special Tax Report approved pursuant to the Establishing Ordinance. The Developer and the Village shall cooperate with each other and shall each use their best efforts to cause the cost of constructing the Public Improvements to be no more than the Budgeted Amount. However, it is understood that if despite the Parties' best efforts, the cost of constructing the Public Improvements exceeds the Budgeted Amount, then the Developer shall be required to complete construction of the Public Improvements, and to the extent that the amounts available from the Improvement Fund are not sufficient to pay for all costs of constructing the Public Improvements, the difference shall be paid by the Developer at no cost to the Village.

d. Subject to Article Eight of this Agreement, if the Developer fails to complete the Public Improvements within the time specified herein, or any extensions of time granted by the Village (which extension shall not be unreasonably withheld) or the Developer abandons the project (ceases all work for a period of four (4) consecutive months without reasonable cause for delay), and, if as a result, a breach of this Agreement occurs (subject to the terms of Article Eight of this Agreement), the Village has the right but not the obligation to complete the Public Improvements using the remaining Bond Proceeds on deposit in the Improvement Fund to pay for the completion of the Public Improvements identified in the Project Budget attached in Exhibit B under the caption Bond Proceeds. Additionally, to the extent that the remaining Bond Proceeds are not sufficient to pay for the reasonable costs of such completion of the Public Improvements by the Village the Village shall have the right to draw upon the performance bond identified in Section 3.8 for such reasonable additional costs of completion. Upon completion of the Public Improvements by the Village, the Village shall issue to Developer a written Certificate of Completion of the Public Improvements.

e. Upon completion and acceptance of a particular Public Improvement, the Developer shall provide the Village with the maintenance guaranty security required by the Entitlement Documents ("Maintenance Guarantee"). Upon the expiration of the maintenance security, the maintenance, repair, restoration, and reconstruction of all Public Improvements are the sole cost and expense of the Village.

3.3 Submission and Approval of Plans and Engineering. All work with respect to the construction of the Public Improvements by the Developer shall be performed in substantial conformance with the approved Preliminary Engineering Plans (taken together with the Preliminary PUD Plat "Construction Plans").

3.4 Public Improvements Constructed on Village's Right-of-Way and Public Lands. The Village hereby grants or shall cause to be granted to the Developer easements and/or licenses with respect to the Village's right-of-way and public lands and private property (which the Village has acquired easements over) for which some or all of the on-site or Public

Improvements are required and which are necessary to permit the Developer to construct the Public Improvements in a form and substance acceptable to the Developer and the Village. All such easements and licenses shall be duly executed and, if necessary, recorded, prior to the commencement of construction. Notwithstanding the foregoing, the Developer agrees that all Public Improvements shall be constructed within publicly dedicated rights-of-way, on public lands or in publicly dedicated easements, in private easements granted to the Village by owners of real estate. It is not anticipated at the time of this Agreement that further easements across private property shall be necessary; to the extent that additional easements are required, the Village agrees to use its condemnation authority to acquire additional easements at the Developer's cost.

3.5 Conformance to Federal, State, and Local Requirement. Subject to the provisions of the Entitlement Documents, all work with respect to the Public Improvements shall conform to all applicable ordinances, codes, rules and regulations in effect as of the date of this Agreement and all applicable federal, state and local laws, regulations, codes, rules and ordinances including, without limitation, the Village's Subdivision Control Ordinance.

3.6 Insurance. Prior to commencement of construction of the Public Improvements, the Developer shall cause to be procured and delivered to the Village, at the Developer's sole cost and expense, and shall maintain in full force and effect until construction of the Public Improvements has been completed and accepted by the Village, Developer's Master Insurance Policy "Insurance Policy" of commercial liability insurance and, during any period of construction, contractor's liability insurance and worker's compensation insurance, with liability coverage under the commercial liability insurance of not less than One Million Dollars per occurrence and Two Million Dollars in the aggregate (which may be in the form of umbrella coverage) and limits under the other policies of insurance in accordance with statute, all such policies to be in such form and issued by such companies as shall be reasonably acceptable to the Village, to protect the Village and the Developer against any liability incidental to the use of, or resulting from, any accident occurring on or about the Public Improvements or the construction of an improvement thereof. Each such policy shall name the Village as an additional named insured party.

3.7 Rights of Inspection. During construction of the Public Improvements, the Village or its designee shall have the right at any time and from time to time to enter upon the Property for the purpose of conducting such inspections.

3.8 Security for Public Improvements. The Developer will provide the Village with security for any portion of the Public Improvements that are not financed or secured by the Bonds. In the event that the Bond Proceeds are insufficient to complete the Public Improvements, the Village may draw upon any security required by its subdivision code in effect as of the date of this agreement for payment of any Public Improvements according to the procedures set forth in its subdivision code.

3.9 Acceptance of Public Improvements. The Village's acceptance of the Completed Improvements, as defined below, shall be in accordance with the provisions of the Entitlement Documents and the Village's Unified Development Ordinance.

3.10 Density. In no event shall any ordinance of the Village, development agreement, or development approval or Entitlement for the Property amend the Entitlement Documents nor shall the Developer be required to draw any subdivision plat in such a way as to result in less than 874 dwelling units and 26 acres of commercial development being permitted to be constructed on the Property unless mutually agreed in writing by the Village and the Developer. In the event that there is a reduction in density caused as a result of such an agreement between the Village and the Developer, the Developer is required to prepay Special Taxes in the amount attributable to the reduction in density as set forth in the Special Tax Ross and Report.

3.11 Administration of SSA. The Village shall contract with an administrator or consultant to administer the Special Service Area No. 25, including, without limitation, calculation, levy, abatement, administration and collection of the special tax for said Special Service Area No. 25, on such terms as shall be reasonably agreed to between the parties. The costs related to the Administration of the Special Service Area No. 25 shall be payable from the special tax collections.

ARTICLE FOUR **Developer Indemnification of the Village**

The Developer agrees to indemnify, defend and hold the Village and its officers, employees, attorneys, engineers and consultants harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, reasonable attorneys' fees), to the extent resulting from, arising out of, or based upon: (i) any breach or default on the part of the Developer in the performance of any of its obligations under or in respect of this Agreement; (ii) any act of negligence of the Developer or any of its agents, contractors, servants or employees; or (iii) any violation by the Developer of any easements, law, ordinances or codes affecting the Area, the Village Property, the Development or the Public Improvements. In case any such claim shall be made or action brought based upon any such claim in respect of which indemnity may be sought against the Developer, upon receipt of notice in writing from the Village setting forth the particulars of such claim or action, the Developer shall assume the defense thereof including the employment of counsel reasonably acceptable to the Village and the payment of all costs and expenses. The Village shall have the right to employ separate counsel in any such action and to participate in the defense thereof, at the reasonable expense of the Developer.

ARTICLE FIVE **Payment for Public Improvements**

5.1 Improvements to be Constructed.

a. Request for Payment. The Developer may submit to the Village Engineer or his designee and send a copy to the Consultant (as defined in the Trust Indenture) not more frequently than once each calendar month, a written request as provided in **Exhibit C** ("Request for Payment") for payment of the Developer's costs of constructing those portions of the Public Improvements which have been completed to date and are identified on the Construction Plans and as enumerated in paragraph E of the Recitals. The Village or its designee shall inspect each portion of the Public Improvements for which payment is requested and shall, within ten (10)

business days after submission of a Request for Payment, make its inspection and if the Village or its designee confirms that the work for which payment is requested has been done, the Village President, upon advice of the Village Administrator, shall execute and deliver to the Developer and to the Trustee a written statement in accordance with the Trust Indenture (“Disbursement Request”) in which the Village or its designee states it has inspected the work described therein and has approved payment therefor in the amount provided for in the Disbursement Request. A form Disbursement Request is attached hereto as **Exhibit D**.

b. Denial of Compliance. If, in the Village’s or its designee’s reasonable opinion, any portion of the work is not in compliance with the Construction Plans, the Village or its designee shall within five (5) business days after submission of a Request for Payment notify the Developer in writing of (1) the specific improvements which it believes are not in compliance with the Construction Plans, (2) the reasons why it believes that the work is not in compliance with the Construction Plans and (3) the reasons why it is not approving a portion or all of the requested disbursement together with reasonably detailed explanations thereof. However, to the extent that the Request for Payment relates to multiple Public Improvements and the Village or its designee confirms that some of the Public Improvements addressed by the Request for Payment are complete, the Village or its designee shall execute and deliver to the Developer, the Consultant and the Trustee a Disbursement Request stating that the Village or its designee has inspected the work therein described and has approved payment therefor in the amount provided for in the Disbursement Request.

c. Release of Funds. At such time as work covered by a Request for Payment is approved by the Village Engineer subject to the provisions of the Trust Indenture, the President, upon advice of the Village Administrator, shall deliver a Disbursement Request to the Trustee directing the Trustee to disburse to the Developer the amount of funds provided for in the Disbursement Request to the extent that funds are available in the Improvement Fund.

5.2 Conditions Precedent to Payment. The Village President, upon advice of the Village Administrator, shall authorize the distribution of funds by the Trustee to the Developer to pay for those portions of the Public Improvements which have been completed upon satisfaction of the following conditions:

a. The Developer has submitted to the Village or its designee, with a copy to the Consultant, a Request for Payment with respect to such portions of the public improvements and the Village or its designee has inspected and approved for payment the work for which the Developer is requesting payment;

b. The Village Engineer has issued, or is required to issue, and the Village President has approved and provided a copy of said approval to the Village Board of Trustees and Village Treasurer, a Disbursement Request to the Trustee with respect thereto;

c. The Developer has caused a title insurance company licensed to do business in Illinois (“Title Company”) to issue to the Trustee and the Village a letter of commitment whereby the Title Company insures the Trustee and the Village from any and all mechanic’s lien claims with respect to work covered by the Disbursement Request. Alternatively, the Developer may request that the Village direct the Trustee to disburse the funds

into a construction escrow account with the Title Company with directions that the Title Company shall not release any funds to any subcontractor or materialmen unless and until appropriate lien waivers and supporting affidavits to the satisfaction of the Title Company have been received by the Title Company; and

d. Subject to the Unavoidable Delay provisions of Article Eight and the Notice and cure provisions of Section 10.2 of this Agreement, the Developer is not in default under this Agreement.

5.3 Bond Proceeds.

a. The Bond Proceeds shall be deposited, held, invested, reinvested and disbursed as provided in the Trust Indenture. Sufficient Bond Proceeds shall be deposited in the Improvement Fund, which, together with anticipated interest earnings, will fully fund the budgeted amounts set forth in Exhibit B under the heading "Bond Proceeds" for the Public Improvements. Monies in the Improvement Fund shall be withdrawn therefrom in accordance with the provisions of the Trust Indenture and the applicable provisions of this Agreement for payment of all or a portion of the cost of constructing the Public Improvements under the heading Bond Proceeds. The Developer understands and agrees that the Village alone shall deliver to the Trustee a direction as to the investment of funds on deposit in the funds and accounts established by or pursuant to the Trust Indenture, including the Improvement Fund; provided, however, the Village shall consult with the Developer so long as the Developer or its affiliate is the legal or beneficial owner of at least 743 (85%) of the lots improved, or to be improved, with the Dwelling Units as to the investment of such funds so long as there are funds available in the Improvement Fund.

b. Except in the event of fraud or gross negligence, the Village shall have no responsibility whatsoever to the Developer with respect to any investment of funds made by the Trustee under the Trust Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of investment. Any such loss may diminish the amounts available in the Improvement Fund to pay the cost of constructing the Public Improvements. The Developer further acknowledges that the obligation of any owner of real property in the Development, including the Developer to the extent they own any property in the Development, to pay special service area taxes is not in any way dependent on the availability of amounts in the Improvement Fund to pay for all or any portion of Public Improvements. The Developer acknowledges that any lack of availability of amounts in the Improvement Fund to pay the cost of constructing the Public Improvements shall in no way diminish any obligation of the Developer with respect to the construction of the Public Improvements in accordance with this Agreement or any other agreement including but not limited to the Annexation Agreement relating to the Development and to which the Developer is a party.

c. The Village agrees not to initiate or approve any amendment to the Trust Indenture that affects the Improvement Fund without the express written consent of the Developer.

5.4 Limited Liability of Village. The Developer agrees that any and all obligations of the Village arising out of or related to this Agreement are special and limited obligations of the

Village and the Village's obligations to make any payments under this Agreement are restricted entirely to the monies, if any, in and available for disbursement from the Improvement Fund and from no other source. Except in the event of fraud or gross negligence, no member of the Corporate Authorities, or any Village staff member, employee or agent, or consultant, including attorneys and engineers, shall incur any liability under this Agreement to the Developer or any other party in their individual capacities by reason of their actions under this Agreement or the execution of this Agreement.

5.5 Acknowledgement. The Village agrees, upon written request by the Developer, within five (5) business days, to send a letter acknowledging to the Developer that construction of the Public Improvements is underway and furthermore, the Village acknowledges that as of the date hereof, the Developer is expending funds in the pursuit of constructing the Public Improvements.

ARTICLE SIX Other Agreements

6.1 Continuing Disclosure. The Developer agrees to provide to the Trustee, the underwriter of the Bonds, and the Consultant (as defined in the Trust Indenture) certain continuing information concerning the development of the Property until such time as 90 percent of the Dwelling Units have been conveyed to third parties. This information includes the following: quarterly reports to the placement agent of the Bonds, the Village and the Consultant setting forth (A) the number of residential dwelling units and/or bulk property sales, (B) the number of residential dwelling units on which construction has commenced on the Property, (C) the number dwelling units sold, the type of such dwelling units sold and the range of sales prices for such dwelling units, (D) the number of dwelling units and types closed, (E) any pending litigation which would adversely affect the ability of the Developer to develop the Property or to pay the Special Tax for Special Service Area No. 25, (F) any material change in the structure or ownership of the Developer, (G) any failure of the Developer or any affiliate, sharing the same or similar ownership as the Developer, to pay by the date due general ad valorem property taxes, on the Property, the Special Tax for Special Service Area No. 25, or any other governmental charge on the Property, (H) any denial or termination of credit which is likely to have a material adverse affect on the ability of the Developer to develop the Property or complete the Public Improvements, (I) any denial or termination of, or default under, any letter of credit, line of credit or loan or any other loss of a source of funds that the Developer requires for the completion of the development of the Property or the construction of the Public Improvements, (J) the occurrence of any event of bankruptcy with respect to the Developer which is likely to have a material adverse effect on the ability of the Developer to develop the Property or construct the Public Improvements, (K) any significant amendments to land use entitlements for the Property if such amendments are likely to prevent or delay the development of the Property, (L) any previously undisclosed governmentally-imposed preconditions to commencement or continuation of development of the Property if such preconditions are likely to prevent or delay the development of the Property, (M) any previously undisclosed legislative, administrative or judicial challenges to development of the Property, the construction of the Public Improvements or the collection of the Special Tax for Special Service Area No. 25, (N) any changes of which the Developer is aware, if material, in the alignment, design or likelihood of completion of significant public improvements affecting the Property, including

major thoroughfares, sewers, water conveyance systems and similar facilities , (O) any termination of contract between Developer and any home builder and (P) any update to the information set forth in the Limited Offering Memorandum for the Bonds to the extent not already addressed in circumstances (A) through (O) above. Quarterly reports shall be made available within 30 days after the end of each calendar quarter. In addition, the Developer shall use its best efforts to provide prompt notice of any of the events listed in (E) through (P). .

6.2 Amendment to Entitlement Documents. To the extent any amendments to the Entitlement Documents are necessary, the Village and the Developer agree to work together and use their best efforts to amend those certain Entitlement Documents, to incorporate the relevant provisions of this Agreement as they apply to the Property; provided, however, that no such amendments nor any future amendments shall materially affect the rights of the Special Service Area No. 25 bondholders. No such amendment shall result in an increase in the special taxes owed by property owners pursuant to the Rate and Method of Apportionment of Special Tax.

6.3 Sale of the Property. The Village agrees that the Developer shall have the right to either build on the Subject Property or sell developed lots to other builders or to convey any or all of the property at any time after the date of this Agreement. The Developer shall notify the Purchaser (as defined in the Trust Indenture), the Village and the Consultant prior to the sale of any portion of the property other than the sale of an individual Dwelling Unit.

ARTICLE SEVEN

Authority

7.1 Powers. Each Party hereby represents and warrants to the other Party that the Party making such representation and warranty has full constitutional and lawful right, power and authority, under currently applicable law, to execute, deliver and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all necessary Village proceedings, findings and actions and all necessary Developer actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the Village and the Developer, enforceable in accordance with its terms and provisions and does not require the consent of any other governmental authority.

7.2 Authorized Parties. Whenever under the provisions of this Agreement and other related documents and instruments or any supplemental agreements, any request, demand, approval, notice or consent of the Village or the Developer is required, or the Village or the Developer is required to agree or to take some action at the request of the other party, such request, demand, approval, notice or consent, or agreement shall be given for the Village, unless otherwise provided herein, by the Village President or his or her written designee and for the Developer by its President, or his written designee; and either party shall be authorized to act on any, such request, demand, approval, notice or consent, or agreement or other action and neither party hereto shall have any complaint against the other party as a result of any such action taken.

ARTICLE EIGHT
Unavoidable Delays

The time for performance by Developer shall be extended by a period of time equal to the time of delay caused by any of the following reasons (herein called “Unavoidable” Delays”): Acts of God, acts of the Public Enemy, or acts of fire, strikes, flood, governmental orders or edicts, governmental rationing or allocation of materials, adverse weather conditions, lockouts, riots, strikes, or any other cause beyond the reasonable control of Developer.

ARTICLE NINE
Illinois Transfer Declaration

Each Real Estate Transfer Declaration Form (“Declaration Form”) shall reflect the Special Service Area No. 25 financial benefits to that lot so that the full actual consideration of the lot is reflected on the Declaration Form.

ARTICLE TEN
General Provisions

10.1 Rider to Sales Contracts. The Developer, its successors and assigns, agree unless the Special Tax has been prepaid in its entirety to attach the Rider or one substantially similar to it, attached hereto as **Exhibit E**, Special Service Area Financing Rider To [Agreement Of Purchase And Sale _____, Illinois], to all sales contracts for the sale of residential dwelling units or for the sale of all or a portion of the Developer’s Property. In the event the Developer sells lots to another builder or developer, Developer shall require pursuant to its purchase contract with such other builder or developer that such other builder or developer attach such Rider to its sales contracts.

10.2 Time of Essence. Time is of the essence of this Agreement.

10.3 Breach. A party shall be in “breach of this Agreement” if it shall fail to perform any of its respective obligations under this Agreement and, barring an Unavoidable Delay, after written notice from the other Party of such failure to perform, does not commence performance within thirty (30) days after such notice and diligently prosecute the same to completion. Each of the Parties shall have all remedies available at law or in equity to enforce this Agreement or recover damages in case of a breach of this Agreement beyond any applicable cure periods.

10.4 Amendment. This Agreement, and any exhibits attached hereto, may be amended only by: (i) the agreement of all of the Parties evidenced by a written amendment, with the adoption of an ordinance or resolution of the Village approving the written amendment; (ii) as provided by law; or (iii) by the execution of the written amendment by the Parties or their successors in interest.

10.5 Conflict with Prior Agreements. In the event that there is a conflict between this Agreement and the Entitlement Documents, the Entitlement Documents shall control.

10.6 Severability. If any provisions, covenants, agreements or portions of this Agreement, or its application to any person, entity or property, is held invalid, such invalidity

shall not affect the application or validity of any other provisions, covenants, agreements or portions of this Agreement and, to that end, all provisions, covenants, agreements or portions of this Agreement are declared to be severable.

10.7 Illinois Law. This Agreement shall be construed in accordance with the laws of the State of Illinois.

10.8 Notice. Any notice to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be: (i) delivered personally, with a receipt requested therefor; or (ii) sent by facsimile; or (iii) sent by a recognized overnight courier service; or (iv) delivered by United States registered or certified mail, return receipt requested, postage prepaid. All notices shall be addressed to the Parties at their respective addresses set forth below, and the same shall be effective: (a) upon receipt or refusal if delivered personally or by facsimile; (b) one (1) business day after depositing with such an overnight courier service; or (c) two (2) business days after deposit in the mails, if mailed. A Party may change its address for receipt of notices by service of a notice of such change in accordance herewith.

If to the Village:
Village of Gilberts
87 Galligan Rd
Gilberts, IL 60136
Att'n Village Clerk

with a copy to:
Ancel Glink, P.C.
140 S. Dearborn Street
Ste 600
Chicago, IL 60603
Attn: Julie A. Tappendorf

If to the Developer:
Gilberts Development, LLC
340 W. Butterfield Rd.
Unit 2D
Elmhurst, IL 60126
Att'n Troy Mertz
Troymertz@gmail.com

with a copy to:
Joseph Giralamo
340 W. Butterfield Rd.
Unit 2D
Elmhurst, IL 60126
Joe@giralamolaw.com

10.9 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

10.10 Consent or Approval. Except as otherwise provided in this Agreement, whenever consent or approval of a Party is required, such consent or approval shall not be unreasonably withheld.

10.11 Assignment. At its sole cost and expense, the Developer may collaterally assign its interest in the payments to be received hereunder to a third-party lender who is advancing funds for the payment of the costs of the Public Improvements. The Developer shall notify the Village of its intent to collaterally assign its interest in the payment received and said assignment is subject to the reasonable approval of the Village. No assignment shall result in any increased costs to the Village, unless the Village is reimbursed for such increased costs.

10.12 Effective Date. This Agreement shall become effective upon the date first above written by each of the parties.

[THIS PORTION LEFT INTENTIONALLY BLANK]

VILLAGE OF GILBERTS, an Illinois
municipal corporation

By: _____
Its: Village President

ATTEST:

By: _____
Its: Village Clerk

GILBERTS DEVELOPMENT, LLC, a
Delaware limited liability company:

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE CONSERVANCY OVERALL LEGAL DESCRIPTION

PARCEL 1:

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AND THAT PART OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING EASTERLY OF THE RIGHT OF WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY, SAID LINE BEING ALSO THE WESTERLY RIGHT OF WAY LINE OF THE ELGIN AND BELVIDERE ELECTRIC COMPANY, EXCEPTING THEREFROM THAT PART FALLING WITHIN THE PLAT OF THE CONSERVANCY-POD 4 RECORDED MARCH 30, 2007 AS DOCUMENT NO. 2007K035676, IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS.

AND ALSO

THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THAT PART FALLING WITHIN THE PLAT OF THE CONSERVANCY-POD 4 RECORDED MARCH 30, 2007 AS DOCUMENT NO. 2007K035676, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 42, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THAT PART FALLING WITHIN THE PLAT OF THE CONSERVANCY-POD 4 RECORDED MARCH 30, 2007 AS DOCUMENT NO. 2007K035676, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THAT PART FALLING WITHIN THE PLAT OF THE CONSERVANCY-POD 4 RECORDED MARCH 30, 2007 AS DOCUMENT NO. 2007K035676, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE SOUTH HALF OF THE SOUTH HALF OF SECTION 2 AND THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 11, ALL IN TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

AND ALSO

THE NORTH HALF OF THE NORTHEAST QUARTER (EXCEPT THE SOUTH 4 RODS OF THE WEST 3 RODS THEREOF) OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 2, (EXCEPT THE WEST 87 LINKS OF THE NORTHWEST QUARTER OF SAID NORTHWEST FRACTIONAL QUARTER AND ALSO EXCEPT THAT PART OF SAID NORTHWEST FRACTIONAL LYING NORTHEASTERLY OF THE CENTER LINE OF HUNTLEY ROAD), TOGETHER WITH THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 2, ALL IN TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD

PRINCIPAL MERIDIAN IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF A PARCEL OF LAND DESCRIBED BY DEED RECORDED JULY 10, 1868 AS DOCUMENT 2037, SAID POINT BEING 87 LINKS (57.42 FEET) EAST OF THE NORTHWEST CORNER OF SAID NORTHWEST FRACTIONAL SECTION 2; THENCE NORTH 89 DEGREES 51 MINUTES 44 SECONDS EAST ALONG THE NORTH LINE OF SAID NORTHWEST FRACTIONAL QUARTER, A DISTANCE OF 1197.74 FEET TO THE CENTERLINE OF THE HUNTLEY-DUNDEE ROAD 66.00 FOOT WIDE RIGHT-OF-WAY; THENCE SOUTH 50 DEGREES 43 MINUTES 35 SECONDS EAST ALONG SAID CENTERLINE, A DISTANCE OF 1177.09 FEET; THENCE SOUTH 39 DEGREES 16 MINUTES 25 SECONDS WEST PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 1766.01 FEET; THENCE SOUTH 89 DEGREES 51 MINUTES 44 SECONDS WEST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST FRACTIONAL SECTION, A DISTANCE OF 433.74 FEET; THENCE SOUTH 22 DEGREES 20 MINUTES 17 SECONDS EAST, A DISTANCE OF 1978.77 FEET TO A POINT ON THE SOUTH LINE OF NORTH HALF OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2; THENCE SOUTH 89 DEGREES 48 MINUTES 45 SECONDS WEST ALONG SAID SOUTH LINE, A DISTANCE OF 1386.37 FEET TO THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2; THENCE NORTH 00 DEGREES 17 MINUTES 04 SECONDS EAST ALONG SAID WEST LINE, A DISTANCE OF 1320.11 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2; THENCE CONTINUING NORTH 00 DEGREES 17 MINUTES 04 SECONDS EAST ALONG THE WEST LINE OF SAID NORTHWEST FRACTIONAL QUARTER, A DISTANCE OF 1320.42 FEET TO THE SOUTHWEST CORNER OF GOVERNMENT LOT 2, ALSO BEING THE SOUTHWEST CORNER OF LAND DESCRIBED BY SAID DOCUMENT 2037; THENCE NORTH 89 DEGREES 53 MINUTES 23 SECONDS EAST ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 2 A DISTANCE OF 87 LINKS (57.42 FEET); THENCE NORTH 00 DEGREES 17 MINUTES 04 SECONDS EAST ALONG THE EAST LINE OF LAND DESCRIBED BY SAID DOCUMENT 2037, A DISTANCE OF 1304.64 FEET TO THE POINT OF BEGINNING, IN KANE COUNTY, ILLINOIS.

PARCEL 3:

COMMENCING AT A POINT 87 LINKS EAST OF THE NORTHWEST CORNER OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS; THENCE NORTH 89 DEGREES 51 MINUTES 44 SECONDS EAST ALONG THE NORTH LINE OF SAID NORTHWEST FRACTIONAL QUARTER, A DISTANCE OF 1197.74 FEET TO THE CENTERLINE OF THE HUNTLEY-DUNDEE ROAD 66.00 FOOT WIDE RIGHT-OF-WAY; THENCE SOUTH 50 DEGREES 43 MINUTES 35 SECONDS EAST ALONG SAID CENTERLINE, A DISTANCE OF 1177.09 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 39 DEGREES 16 MINUTES 25 SECONDS WEST PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 1766.01 FEET; THENCE SOUTH 89 DEGREES 51 MINUTES 44 SECONDS WEST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST FRACTIONAL SECTION, A DISTANCE OF 433.74 FEET; THENCE SOUTH 22 DEGREES 20 MINUTES 17 SECONDS EAST TO A POINT ON THE HALF SECTION LINE OF SAID SECTION 2; THENCE EAST ALONG SAID EAST-WEST HALF SECTION LINE TO THE CENTER POINT OF SECTION 2; THENCE NORTH ALONG THE NORTH-SOUTH HALF SECTION LINE OF SECTION 2 TO THE CENTERLINE OF SAID HUNTLEY ROAD; THENCE WESTERLY ALONG SAID CENTERLINE TO THE POINT OF BEGINNING, TOWNSHIP OF RUTLAND, COUNTY OF KANE, STATE OF ILLINOIS.

PARCEL 4:

THE NORTH HALF OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 2, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS, EXCEPT THE FOLLOWING DESCRIBED TRACT:
BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2; THENCE SOUTH 00 DEGREES 17 MINUTES 04 SECONDS WEST ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 2, A DISTANCE OF 1320.11 FEET TO THE SOUTH LINE OF SAID NORTH HALF OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 2; THENCE NORTH 89 DEGREES 48 MINUTES 45 SECONDS EAST ALONG

SAID SOUTH LINE A DISTANCE OF 1386.37 FEET; THENCE NORTH 22 DEGREES 20 MINUTES 17 SECONDS WEST TO A POINT ON THE NORTH LINE OF SAID SOUTHWEST QUARTER; THENCE EAST ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER TO THE POINT OF BEGINNING, TOWNSHIP OF RUTLAND, COUNTY OF KANE, STATE OF ILLINOIS.

PARCEL 5:

THE NORTH HALF OF THE EAST HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

CURRENT P.I.N.'S:

02-02-300-002 (PARCEL 1)
02-02-400-002 (PARCEL 1)
02-11-100-010 (PARCEL 1)
02-11-200-001 (PARCEL 1)
02-11-100-003 (PARCEL 1)
02-11-200-007 (PARCEL 1)
02-11-200-005 (PARCEL 1)
02-11-400-005 (PARCEL 1)
02-11-300-008 (PARCEL 1)
02-11-400-003 (PARCEL 1)
02-11-400-004 (PARCEL 1)
02-02-100-008 (PARCEL 2)
02-02-300-004 (PARCEL 2)
02-02-100-007 (PARCEL 3)
02-02-300-003 (PARCEL 4)
02-11-200-003 (PARCEL 5)

PREPARED BY:

MANHARD CONSULTING LTD
700 SPRINGER DRIVE
LOMBARD, ILLINOIS 60148
PHONE: 630-691-8500
PREPARED JULY 6, 2017

EXHIBIT B

**ESTIMATE OF THE COSTS OF CERTAIN PUBLIC IMPROVEMENTS AND AN
ESTIMATE OF THE AMOUNT TO BE FUNDED**

PUBLIC IMPROVEMENTS	TOTAL ALLOCATED COSTS
Water Treatment Plant and Well Project	\$7,750,000
Freeman Road Project	\$920,000
Contingency	\$880,000
Grand Total	\$9,550,000
SSA No. 25 Funded	100%
Developer Funded	0%

EXHIBIT C
REQUEST FOR PAYMENT FORM

TO: Village of Gilberts

RE: \$ _____

Village of Gilberts
Kane County, Illinois
Special Service Area No. 25
Special Tax Bonds, Series 2018
(Conservancy Project)

Amount Requested: _____

Total Disbursements to Date: _____

1. Each obligation for which a disbursement is hereby requested is described in reasonable detail in Schedule I hereto together with the name and address of the person, firm, or corporation to whom payment is due, which may include the Developer for reimbursement of amounts expended, and any other payment instructions.
2. The bills, invoices, or statements of account for each obligation referenced in Schedule I are attached hereto as Schedule II.
3. The Developer hereby certifies that:
 - a. This written requisition is for payment of costs in connection with the issuance of the above-referenced Series 2018 Bonds and the specific purpose for which this request is made is described in Schedule I.
 - b. The disbursement is for payment of a Special Service.
 - c. Such Special Service has been completed in accordance with the terms of the Public Improvements Agreement.
 - d. Payment instructions sufficient to make the requested payment are set forth in Schedule I.
 - e. No portion of the amount being requested to be disbursed was set forth in any previous request for disbursement.
 - f. [As a condition to the disbursement, the Title Company shall issue an endorsement to the title policy in the amount requested to be disbursed.]
 - g. The Developer is not in default under the Public Improvements Agreement

4. All capitalized terms herein shall have the meanings assigned to them in the Trust Indenture for the above-referenced Series 2018 Special Tax Bonds dated as of _____, _____ by and between the Village of Gilberts, Kane County, Illinois and _____, as Trustee.

By: _____
Name: _____
Title: _____

cc: [Insert Special Tax Consultant]

Date Request for Payment received:

_____, 200__

Inspected and approved for payment

By: _____

Name: _____

Title: Village Engineer

EXHIBIT D

DISBURSEMENT REQUEST

TO: Amalgamated Bank of Chicago
30 North LaSalle Street
Chicago, IL 60602
Attn: _____

RE: \$ _____

Village of Gilberts
Kane County, Illinois
Special Service Area Number Twenty-Five Special Tax Bonds, Series 2018 (The
Conservancy Project)

Amount Requested: _____

Total Disbursements to Date: _____

1. Each obligation for which a disbursement is hereby requested is described in reasonable detail in Schedule I hereto together with the name and address of the person, firm, or corporation to whom payment is due, which may include the Developer for reimbursement of amounts expended, and any other payment instructions.
2. The bills, invoices, or statements of account for each obligation referenced in Schedule I are attached hereto as Schedule II.
3. The Village hereby certifies that:
 - a. This written requisition is for payment of Additional Special Services or costs of issuance incurred in connection with the issuance of the above-referenced Bonds and the specific purpose for which this request is made is described in Schedule I.
 - b. Payment instructions sufficient to make the requested payment are set forth in Schedule I.
 - c. No portion of the amount being requested to be disbursed was set forth in any previous request for disbursement.
4. All capitalized terms herein shall have the meanings assigned to them in the Trust Indenture for the above-referenced Special Tax Bonds dated as of _____, 2018 by and between the Village of Gilberts, Kane County, Illinois and Amalgamated Bank of Chicago, as Trustee.

By: _____
Authorized Officer

EXHIBIT E

RIDER

Special Service Area Financing Rider to Agreement of
Purchase and Sale _____, Gilberts, Illinois

This Rider is attached to and made a part of the Purchase Agreement between _____ (“Seller”) and _____ (“Buyers”) for a residence on Homesite No. _____ (“Homesite”) in the Conservancy Development located in Gilberts, Illinois (the “Property”). Seller and Buyer hereby acknowledge and agree as follows:

The Village of Gilberts, Illinois (the “Village”) created a Special Service Area No. 25 (the “SSA”) by adopting the establishing ordinance (“Establishing Ordinance”). The Village created the SSA to finance the construction of certain public improvements (“Public Improvements”), which include, but are not limited to, excavation, grading and earthwork, street improvements, storm sewer facilities, sanitary sewer facilities, water facilities, landscaping, and engineering, soil testing, land and easement acquisition, design, construction and appurtenant work relating to any of the foregoing improvements, and other eligible costs, benefiting property within the SSA. The Village issued or will issue municipal bonds (“Bonds”) to finance the Public Improvements pursuant to a bond ordinance (“Bond Ordinance”).

To repay the Bonds, the Establishing Ordinance authorized the levy, extension and collection of a Special Service Area Tax upon the Property and other real estate within the boundaries of the SSA (the “Special Tax”). The Special Tax will be levied upon the Property each calendar year from _____ to _____ and collected each calendar year from _____ to _____, unless prepaid as discussed below. The Maximum Annual Special Tax on the Property levied in calendar year _____ shall not exceed \$_____ for a single family home. Purchaser shall receive an actual amortization schedule with regard to the SSA taxes no later than thirty (30) days prior to Closing. The SSA Taxes may increase by no more than _____ percent (___%) each year thereafter, up to a maximum Special Tax on the Property of \$_____ for a single family home levied in calendar year _____.

The Special Tax is a lien on the Property. The Special Tax accrues on a yearly basis on the Property, and, if not paid on time, may result in the foreclosure of that lien (similar to becoming delinquent on your mortgage payments or general real estate taxes). The Special Tax will most likely be billed to the Purchaser on a separate bill generated by the Assessor and will most likely be payable in one installment on or about January 1 of each year. It is important to note that unlike general real estate taxes which are billed in arrears, the Special Tax is paid on a current basis. By signing this Rider, Buyer expressly acknowledges and hereby waives all right to object to: (i) the validity of the Establishing Ordinance, the Bond Ordinance and the Special Tax, including any advertisements, notices, hearings, procedures or actions provided or taken in connection with the adoption of the Establishing Ordinance and the Bond Ordinance or otherwise, and including the Special Tax Roll and Report that is attached to and incorporated in

the Establishing Ordinance (the “Special Tax Roll”); (ii) the designation of the Property as part of a Special Service Area pursuant to the Special Service Area Tax Law, 35 ILCS 200/27-1 et seq.; (iii) the findings in the Establishing Ordinance and the Bond Ordinance that the Public Improvements confer a special benefit on the Property which is not generally applicable to other property located within the Village; (iv) the determination that the Public Improvements are of the type that may be financed under the Special Service Area Tax Law; and (v) the determination that the formula for apportioning the Special Tax to the Property is rational in light of the special service benefit the Public Improvements confer upon the Property.

Buyer also agrees to accept title at closing subject to the Special Tax for Buyer’s Homesite, the Establishing Ordinance and the Bond Ordinance, and all rights, impositions and obligations imposed by any of the foregoing. Buyer expressly acknowledges and agrees that the rights, impositions and obligations by the Establishing Ordinance and the Bond Ordinance shall be covenants running with the land that bind Seller, Buyer and any of Buyer’s grantees, transferees, successors and assigns. The deed that Buyer receives at closing shall designate these covenants, conditions and restrictions as a permitted exception to title.

Buyer will be responsible for the Special Tax on Buyer’s Homesite from and after the Closing Date. The Special Tax is a separate obligation and will continue and be payable until the Bonds are paid in full. At Closing Buyer will be required to pay to Seller Buyer’s prorata portion of the Special Tax on the Property for the year in which the closing occurs, prorated from the Closing Date to the end of the calendar year. When the Special Tax for the year of the Closing is due, Seller will combine the Buyer’s funds with its funds and pay the Special Tax for the Homesite. If a separate tax bill for the year of Closing is due, Seller will combine the Buyer’s funds with its funds and pay the Special Tax for the Homesite. If a separate tax bill for the year of closing is issued for the Homesite and Buyer receives the separate tax bill, Buyer must notify Seller and Seller will make arrangements for payment from the amounts prorated at Closing. Thereafter, Buyer shall be solely responsible for payment of the Special Tax when due.

Provided that there are no delinquent Special Taxes related to the Property, Buyer or any subsequent Property owner may prepay the Special Tax at any time, and in so doing would permanently satisfy the obligation to pay the Special Tax. The Special Tax Roll describes the way that the amount required to prepay the Special Tax is calculated. This Rider is incorporated into and is deemed an integral part of the Purchase Agreement. In the event of any conflict between this Rider and the Purchase Agreement, the terms of this Rider shall control.

**MONTHLY TREASURER'S REPORT
FOR FEBRUARY, 2018**

General Fund

Union National Bank Money Market/Checking	\$	116,537.69	
Illinois Funds Money Market	\$	2,868,303.02	
Barrington Bank Certificates of Deposit	\$	1,508,503.51	
McHenry Savings Bank Certificates of Deposit	\$	461,564.23	
			\$ 4,954,908.45

Enterprise Fund

Union National Bank Money Market/Checking	\$	120,273.84	
Illinois Funds Money Market	\$	2,012,458.94	
Barrington Bank Money Market	\$	58,576.45	
Barrington Bank Certificates of Deposit	\$	509,299.75	
Union National Bank Certificates of Deposit	\$	1,209,986.26	
			\$ 3,910,595.24

Motor Fuel Tax

Union National Bank Money Market/Checking	\$	57,205.12	
Illinois Funds Money Market	\$	736,393.08	
			\$ 793,598.20

Performance Bond

Union National Bank Money Market/Checking	\$	19,035.89	
Illinois Funds Money Market	\$	210,796.59	
			\$ 229,832.48

TIF #1

Union National Bank Money Market/Checking	\$	132,314.82	
			\$ 132,314.82

TIF #2

Union National Bank Money Market/Checking	\$	143,713.02	
			\$ 143,713.02

PD Drug Forfeiture

Union National Bank Money Market/Checking	\$	16,281.86	
			\$ 16,281.86

TOTAL ALL FUNDS

\$ 10,181,244.07



**Village of Gilberts
General Fund
Certificates of Deposit
February 28, 2018**

Bank	CD#	Amount	Term	Maturity Date	Interest Rate
Barrington Bank	0940000423-1011	229,006.12	9 months	3/28/2018	.95 APY
Barrington Bank	0940000423-1012	269,685.41	9 months	3/28/2018	.95 APY
Barrington Bank	0940000423-1010	507,176.75	9 months	3/20/2018	.95 APY
Barrington Bank	8985605763/1	502,635.23	12 months	10/3/2018	1.00 APY
Barrington Bank CD's	1,508,503.51				

**Village of Gilberts
General Fund
Certificates of Deposit
February 28, 2018**

Bank	CD#	Amount	Term	Maturity Date	Interest Rate
McHenry Savings Bank	1000040004	257,329.04	1 year	4/4/2018	.95 APY
McHenry Savings Bank	1000040202	204,235.19	1 year	4/23/2018	.95 APY
McHenry Savings Bank		461,564.23			

**Village of Gilberts
Water Fund
Certificates of Deposit
February 28, 2018**

Bank	CD#	Amount	Term	Maturity Date	Interest Rate
Barrington Bank	0940000423-1009	101,642.38	9 months	6/27/2018	.95 APY
Barrington Bank	0940000423-1013	203,560.99	9 months	3/28/2018	.95 APY
Barrington Bank	0940000423-1014	204,096.38	9 months	3/28/2018	.95 APY
Barrington Bank CD's	509,299.75				

**Village of Gilberts
Water Fund
Certificates of Deposit
February 28, 2018**

Bank	CD#	Amount	Term	Maturity Date	Interest Rate
Union National Bank	4176509	395,169.05	12 months	10/13/2018	1.49 APY
Union National Bank	4169371	260,020.58	9 months	7/15/2018	1.34 APY
Union National Bank	4176517	378,036.08	12 months	10/24/2018	1.50 APY
Union National Bank	4169389	176,760.55	12 months	5/22/2018	1.19 APY
		1,209,986.26			
Union National CD's	1,209,986.26				

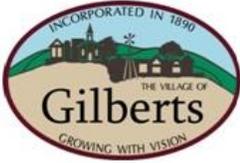
FUND SUMMARY REPORT

2/28/18

Fund Name	Current Balance	Status
General Fund	\$ 1,516,543.88	Unrestricted
Designated Reserves	\$ 1,010,361.01	Committed
Road Improvement	\$ 374,550.92	Committed
Infrastructure Fund (Garbage)	\$ 833,405.81	Committed
Road Bond Repayment	\$ 303,992.75	Committed
Capital Replacement	\$ 182,905.20	Committed
New Development Fees	\$ 681,699.82	Committed
FY-06 to FY-17 Municipal Impact Fees	\$ 12,329.67	
FY-15 to FY-18 Municipal Utility Impact Fees - C	\$ 38,158.15	
FY-15 to FY-18 Municipal Impact Fees - C	\$ 324,500.00	
FY-15 to FY-18 Municipal Park Impact Fees - C	\$ 306,712.00	
Tree Replacement / Beautification	\$ 4,594.34	Committed
EDUI	\$ 24,023.35	Committed
Drug Forfeiture	\$ 16,281.86	Restricted
Road Improvement MFT IL Funds	\$ 736,393.08	Restricted
Road Improvement MFT Union Bank	\$ 57,205.12	Restricted
MFT Total	\$ 793,598.20	
Enterprise Fund Operations (Water/WW)	\$ 3,620,555.63	Committed
Enterprise Capital Fund (Water/WW)	\$ 290,039.61	Committed
Performance Bonds / Escrows	\$ 217,542.48	Committed
Building Permit - Town Center / Conservancy	\$ 22,831.37	Committed
Library Impact Fees	\$ 2,438.00	Committed
School Impact Fees	\$ 8,452.00	Committed
Fire District Impact Fees	\$ 1,000.00	Committed
Library Transition Fees	\$ 400.00	Committed
TIF 1	\$ 132,314.82	Committed
TIF 2	\$ 143,713.02	Committed
Total Funds	\$ 10,181,244.07	
Total Restricted/Committed Funds	\$ 8,664,700.19	
Total Unrestricted Funds	\$ 1,516,543.88	

ROAD IMPROVEMENT/INFRASTRUCTURE FUND BALANCE SHEET

Date	Deposit	Received From	Balance
10/25/2017	58.29	October Road & Bridge	\$ 1,216,314.75
10/30/2017	100.00	October Overweight	\$ 1,216,414.75
11/6/2017	160.00	November Overweight	\$ 1,216,574.75
11/8/2017	400.00	November Overweight	\$ 1,216,974.75
11/17/2017	240.00	November Overweight	\$ 1,217,214.75
11/21/2017	89.23	November Road & Bridge	\$ 1,217,303.98
11/22/2017	160.00	November Overweight	\$ 1,217,463.98
12/27/2017	300.00	December Overweight	\$ 1,217,763.98
1/4/2018	150.00	January Overweight	\$ 1,217,913.98
2/6/2018	(9,957.25)	Engineering - Road Program	\$ 1,207,956.73



Village of Gilberts
Village Hall
87 Galligan Road, Gilberts, Illinois 60136
Ph. 847-428-2861 Fax: 847-428-2955
www.villageofgilberts.com

Memorandum

TO: President Rick Zirk & the Village Board of Trustees
CC: George Sakas, Village Administrator
FROM: Laura Erickson, Finance Director
DATE: March 9, 2018 for the March 13, 2018 Village Committee of the Whole Meeting
SUBJECT: Certificates of Deposit Renewals

The Village has certificates of deposit that will mature in March and April as follows:

Certificates of Deposit - General Fund as of 2/28/18

Bank	Amount	Term	Maturity Date	Interest Rate
Barrington Bank	\$507,176.75	9 months	3/20/2018	.95 APY
Barrington Bank	\$229,006.12	9 months	3/28/2018	.95 APY
Barrington Bank	\$269,685.41	9 months	3/28/2018	.95 APY
McHenry Savings Bank	\$257,329.04	1 year	4/4/2018	.95 APY
McHenry Savings Bank	\$204,235.19	1 year	4/23/2018	.95 APY

Certificates of Deposit - Water Fund as of 2/28/18

Bank	Amount	Term	Maturity Date	Interest Rate
Barrington Bank	\$203,560.99	9 months	3/28/2018	.95 APY
Barrington Bank	\$204,096.38	9 months	3/28/2018	.95 APY

As discussed by the Village Board at the October 10, 2017 meeting, the McHenry Savings Bank CDs will be transferred into our Illinois Funds account.

General Fund CDs at Barrington Bank will be renewed for another 9 month term at a projected interest rate of .95% APY.

Water Fund CDs at Barrington Bank will be renewed for a 1 year term at a projected interest rate of 1% APY.

With the Board's concurrence, we will complete these tasks.