

**U.S. ROUTE 30 AND FIFTH STREET
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN**

VILLAGE OF MONTGOMERY, ILLINOIS

April 27, 2006
Final

Prepared by:
Ehlers & Associates, Inc.

**U.S. ROUTE 30 AND FIFTH STREET
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN**

VILLAGE OF MONTGOMERY, ILLINOIS

This Redevelopment Plan is subject to review
and comment and may be revised
after comment and hearing.

April 27, 2006
Final

Prepared by:
Ehlers & Associates, Inc.

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
	A. Tax Increment Financing	4
	B. U.S. Route 30 and Fifth Street Tax Increment Financing Redevelopment Project and Plan	4
II.	LEGAL DESCRIPTION.....	7
III.	PROJECT AREA ELIGIBILITY CONDITIONS.....	10
	A. Surveys and Analyses Conducted.....	10
	B. Summary of Findings	10
IV.	REDEVELOPMENT GOALS AND POLICIES	12
	A. General Goals	12
	B. Redevelopment Objectives.....	13
V.	REDEVELOPMENT PROJECT.....	14
	A. Overall Redevelopment Concept and Land Use Plan	14
	B. Development and Design Objectives.....	15
	C. Redevelopment Improvements and Activities.....	15
	D. Redevelopment Project Costs	18
	E. Sources of Funds to Pay Redevelopment Project Costs	24
	F. Issuance of Obligations	25
	G. Valuation of the Project Area.....	25
VI.	LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE	27
VII.	FINANCIAL IMPACT	28
VIII.	DEMAND ON TAXING DISTRICT SERVICES.....	29
IX.	CONFORMITY OF THE REDEVELOPMENT PLAN AND PROJECT TO THE COMPREHENSIVE PLAN FOR THE DEVELOPMENT OF THE VILLAGE AS A WHOLE	31
X.	PHASING AND SCHEDULING.....	32
XI.	PROVISIONS FOR AMENDING THE REDEVELOPMENT PLAN.....	33
XII.	COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN	34
XIII.	IMPACT ON INHABITED RESIDENTIAL UNITS	35

FIGURES, TABLES AND EXHIBITS

FIGURE 1: PROJECT AREA BOUNDARY	2
FIGURE 2: PROJECT AREA BOUNDARY AND LEGAL DESCRIPTION	9
FIGURE 3: LAND USE PLAN	16
TABLE 1: TOTAL ESTIMATED REDEVELOPMENT PROJECT COSTS	23
TABLE 2: PROJECT AREA TOTAL EAV BY TAX PARCEL (PIN)	26
EXHIBIT I U.S. ROUTE 30 AND FIFTH STREET TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA ELIGIBILITY STUDY	

I. INTRODUCTION

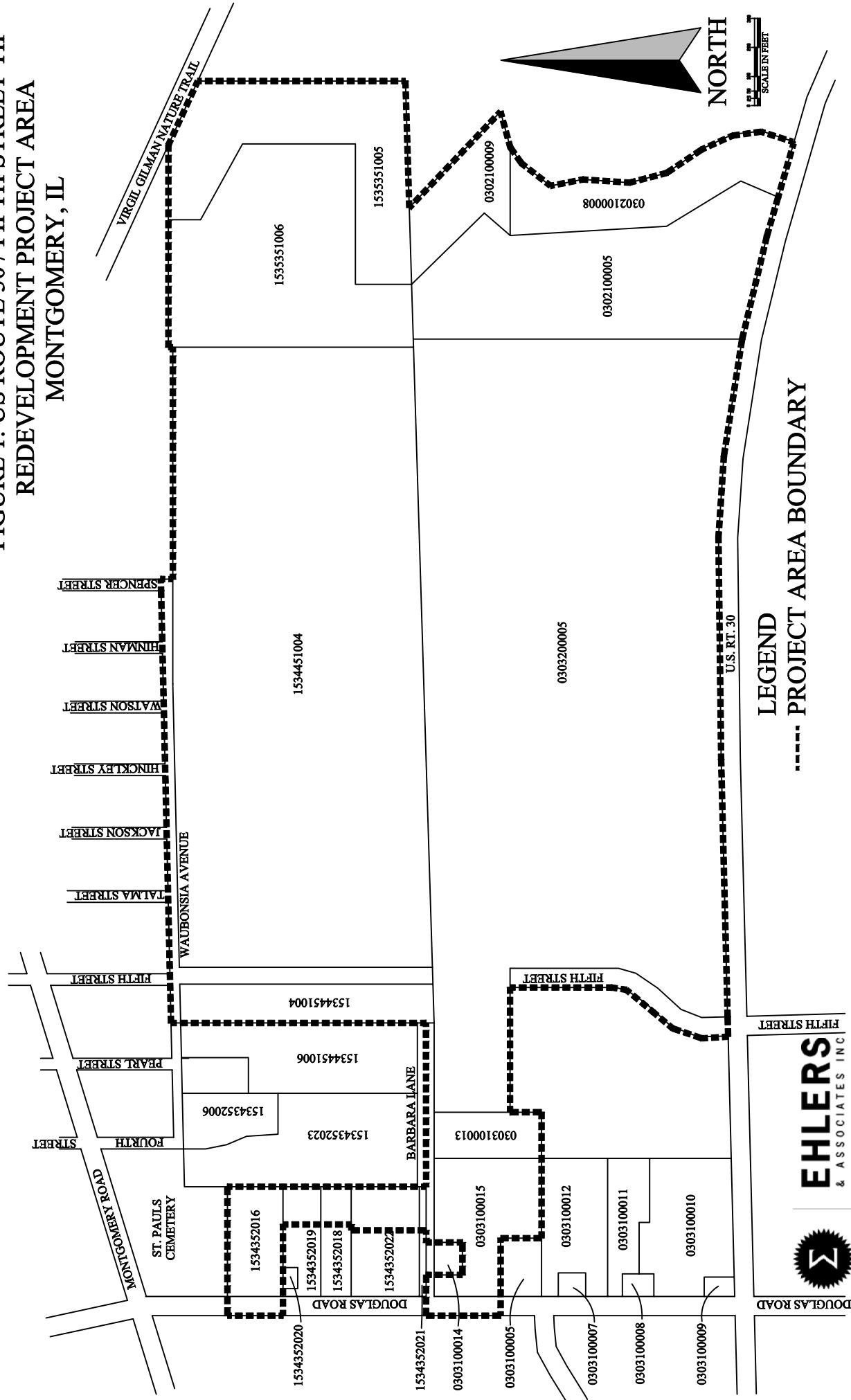
This document, entitled *U.S. Route 30 and Fifth Street Tax Increment Financing Redevelopment Project and Plan*, is to serve as a redevelopment plan (the "Redevelopment Plan") for a vacant area in the easternmost portion of the Village of Montgomery, Kane and Kendall Counties, Illinois (the "Village"). The redevelopment project area encompasses approximately 300 acres of vacant land that is generally bounded by Waubonsia Avenue on the north, U.S. Route 30 on the south, Waubonsee Creek on the east and portions of Fifth Street and Douglas Road on the west. The area is subsequently referred to in this document as the U.S. Route 30 and Fifth Street Tax Increment Financing Redevelopment Project Area (the "Project Area"). The Project Area is illustrated in Figure 1 (Project Area Boundary) and legally described in Section II of this Redevelopment Plan.

The Village of Montgomery and the U.S. Route 30 and Fifth Street Tax Increment Financing Redevelopment Project Area

The Village of Montgomery is located in the Fox River Valley of Kane and Kendall Counties approximately 40 miles southwest of Chicago. The Village includes land on both sides of the Fox River and is generally surrounded by Aurora to the north, Sugar Grove to the northwest, Oswego to the south, Yorkville to the southwest, Naperville to the east and unincorporated portions of Kane and Kendall Counties to the west. The Village has experienced substantial growth over the past decade and is recognized for its small town atmosphere, excellent municipal, park, and school amenities/services and appealing quality of life symbolized by a strong housing stock and the picturesque natural features of the Fox River. The Village has excellent access to regional transportation routes, including Interstate 88, U.S. Route 30, Illinois Routes 25 and 31 and the Burlington Northern Santa Fe Railroad.

Montgomery was founded in 1835 and incorporated as a Village in 1858. The community grew with River related industry such as foundries, gristmills and a reaper factory. Other early development drivers were the construction of a rail station for the Chicago, Burlington & Quincy Railroad (1880), the opening of Riverview Park amusement park (1899) and the location of the first "modern" factory, Lyon Metallic (1906). Throughout the twentieth century, the Village expanded geographically and experienced a steady increase in population with nearly 5,500 residents in 2000. Since 2000, the Village has grown rapidly to a current population of approximately 12,000 persons and is poised for substantial future growth—projected at nearly 20,000 by 2010. Along with growing residential neighborhoods, the Village is focused on maintaining and developing commercial corridors, building industrial areas and revitalizing its traditional downtown. As regional growth of the Chicago metropolitan area proceeds southwestward, the Village has focused its planning efforts on guiding development to assure a compatible and efficient balance of land uses reflective of the Village's small town heritage but also responsive to contemporary development opportunities.

FIGURE 1: US ROUTE 30 / FIFTH STREET TIF
REDEVELOPMENT PROJECT AREA
MONTGOMERY, IL



The Project Area is a vacant area located along one of Montgomery's key gateway commercial corridors—U.S. Route 30. The Project Area is located on the north side of U.S. Route 30 and is adjacent to established and expanding commercial development emanating from the intersection of Douglas Road and U.S. Route 30 including Settlers Landing Shopping Center (Montgomery) and Townes Crossing Shopping Center (Oswego). While the Project Area is situated in a strong market location, it faces significant development challenges due to its designation as a special flood hazard area, associated drainage problems and the excessive cost of required stormwater management infrastructure and improvements. These conditions must be addressed to ensure the long-term health and viability of the Project Area and the corridor as a whole.

The Village recognizes the needs and opportunities for growth and development of the Project Area and the incumbent responsibility to plan for such needs on a coordinated and comprehensive basis. Recent planning efforts which address this concern include the *Village of Montgomery Comprehensive Plan* (2002) and the *Montgomery Preserve Sub-Area Plan* (2006). These plans set forth recommendations for development and redevelopment of the Project Area and form the basis for many of the recommendations presented in this Redevelopment Plan.

As part of its strategy to stimulate private investment in development of the Project Area, the Village engaged Ehlers & Associates, Inc. ("Ehlers) to investigate whether the Project Area qualifies as a "blighted area" under the Illinois Tax Increment Allocation Redevelopment Act (the "Act").

Ehlers surveyed the area identified by the Village and referred to as the Project Area to document blighted area factors that may exist within the Project Area. Ehlers documented these factors in a study entitled, "U.S. Route 30 and Fifth Street Tax Increment Financing Redevelopment Project Area Eligibility Study" (the "Eligibility Study"), which is included as Exhibit I to this report.

Overall, the Project Area has not been subject to growth and development through investment by private enterprise due to the fact that the area is designated as a special flood hazard area, is subject to chronic flooding and is not reasonably anticipated to be developed without the efforts and leadership of the Village. Development and improvement of the Project Area will be a complex undertaking requiring a well-organized development strategy to bring about interest and investment on a coordinated basis. Realization of the goals and objectives of the *Montgomery Preserve Sub-Area Plan* will require commitment from the Village, property owners and developers, as well as a long-term financial plan and commitment.

This Redevelopment Plan summarizes the analyses and findings of Ehlers' work, which, unless otherwise noted, is the responsibility of Ehlers. The Village is entitled to rely on the findings and conclusions of this Redevelopment Plan in designating the Project Area as a redevelopment project area under the Act. Ehlers has prepared this Redevelopment Plan and the Eligibility Study with the understanding that the Village would rely: 1) on the findings and conclusions of the Redevelopment Plan and the related Eligibility Study in proceeding with the designation of the Project Area and the adoption and implementation of the Redevelopment Plan, and 2) on the fact that Ehlers has obtained the necessary information so that the Redevelopment Plan and the related Eligibility Study will comply with the Act.

A. Tax Increment Financing

In January 1977, tax increment financing ("TIF") was made possible by the Illinois General Assembly through passage of the Tax Increment Allocation Redevelopment Act. The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et seq.*, as amended. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance redevelopment project costs (sometimes referred to as "Project Costs" or "Redevelopment Project Costs") with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current equalized assessed valuation ("EAV") of real property within the Project Area over and above the "Certified Initial EAV" of the real property. Any increase in EAV is then multiplied by the current tax rate which results in Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance Project Costs, a municipality may issue obligations secured by estimated Incremental Property Taxes to be generated within the Project Area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax increment financing does not generate tax revenues by increasing tax rates. This financing mechanism allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the assessment and reassessment of properties. All taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid and such excess amounts are not otherwise pledged, earmarked or designated for future usage on other redevelopment projects. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid and the Project Area's term has expired or has been terminated.

B. U.S. Route 30 and Fifth Street Tax Increment Financing Redevelopment Project and Plan

As evidenced in Section VI, the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area will be redeveloped without the use of TIF.

This Redevelopment Plan has been prepared in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment. The goal of the Village, through the implementation of this Redevelopment Plan, is

that the entire Project Area be developed on a comprehensive and planned development basis in order to ensure that private investment in development occurs:

1. On a coordinated rather than piecemeal basis to ensure that the land use, pedestrian access, vehicular circulation, parking, service and urban design systems are functionally integrated and meet present-day principles and standards;
2. On a reasonable, comprehensive and integrated basis; and
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the Village.

The Redevelopment Plan sets forth the overall Redevelopment Project to be undertaken to accomplish the above-stated goals. During the implementation of the Redevelopment Project, the Village may, from time to time, (i) undertake or cause to be undertaken public improvements and activities as described in Section V of this Redevelopment Plan and (ii) enter into redevelopment agreements with private entities to construct, rehabilitate, renovate or restore private improvements on one or several parcels (collectively referred to as "Redevelopment Project").

This Redevelopment Plan specifically describes the Project Area and sets forth the blight factors that qualify the Project Area for designation as a vacant blighted area as defined in the Act. Section II of the Redevelopment Plan contains the Project Area description of the boundaries of the Project Area.

Successful implementation of this Redevelopment Plan requires that the Village utilize Incremental Property Taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the blight area factors, which have precluded development of the Project Area by the private sector. The use of Incremental Property Taxes will permit the Village to direct, implement, and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities and investments will benefit the Village, its residents, and all taxing districts having jurisdiction over the Project Area. The anticipated benefits include:

- Elimination of problem conditions via comprehensive stormwater management infrastructure and improvements that will provide for the sound development of the Project Area.
- A mixed-use activity area which exemplifies the Village's identity and character and serves as a destination location for a variety of uses/activities including shopping, business, living, entertainment, recreation, and civic and community gatherings.
- New commercial development along U.S. Route 30, Fifth Street and Douglas Road to reinforce the commercial market trade area serving residents and attracting visitors.
- The creation of new high-quality multi-family housing opportunities to support the local population, attract new residents and enhance the overall quality and character of the community.

- The development of civic and public uses, including, but not limited to, a library branch facility, the Montgomery Preserve and several recreational amenities that will coordinate with the design of the retention/detention facilities—including nature and bicycle trails, playing fields, environmental signage and boardwalks.
- A coordinated system of traffic engineering, parking and streetscape features that will provide good public access and stimulate activity.
- An increased property tax base arising from new private development;
- An increased sales tax base arising from new private development for contemporary retail and commercial uses; and
- An increase in construction, part-time, and full-time employment opportunities for Village residents in the commercial and business areas of the Project Area.

II. LEGAL DESCRIPTION

The boundaries of the Project Area have been carefully drawn to include only real property and improvements substantially benefited by the proposed Redevelopment Project to be undertaken as part of this Redevelopment Plan. The Project Area encompasses approximately 300 acres of vacant land that is generally bounded by Waubonsia Avenue on the north, U.S. Route 30 on the south, Waubonsee Creek on the east and portions of Fifth Street and Douglas Road on the west. The Project Area boundaries are shown in Figure 2, *Project Area Boundary*, and legally described below.

THE PROJECT AREA IS GENERALLY BOUNDED BY WAUBONIA AVENUE ON THE NORTH, WAUBONSEE CREEK ON THE EAST, ROUTE 30 ON THE SOUTH, FIFTH STREET AND DOUGLAS ROAD ON THE WEST.

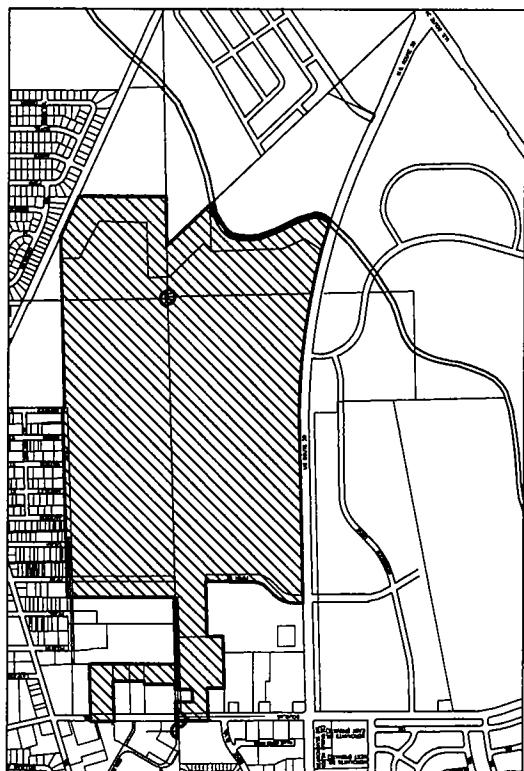
A MORE EXACT DESCRIPTION OF THE U.S. ROUTE 30/FIFTH STREET TIF REDEVELOPMENT PROJECT AREA BOUNDARY IS AS FOLLOWS:

THAT PART OF SECTIONS 34 AND 35, TOWNSHIP 38 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN AND ALSO THAT PART OF SECTIONS 2 AND 3, TOWNSHIP 37 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTH EAST CORNER OF LOT 1 OF FARM AND FLEET SUBDIVISION; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 690.25 FEET; THENCE SOUTH 197.69 FEET ALONG A WEST LINE OF SAID LOT 1; THENCE WEST ALONG A NORTH LINE OF SAID LOT 1, 200.02 FEET TO THE NORTHEAST CORNER OF LOT 3 IN SPATZ SUBDIVISION; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 3, 438 FEET TO THE SOUTHEAST CORNER OF A PARCEL OF LAND WITH A P.I.N. OF 03-03-100-005 AND DESCRIBED AS PARCEL TWO IN DOCUMENT NUMBER 9603948 RECORDED AT THE KENDALL COUNTY RECORDERS OFFICE; THENCE NORTH ALONG THE EAST LINE OF SAID PARCEL OF LAND 208 FEET TO THE NORTHEAST CORNER OF SAID PARCEL OF LAND; THENCE WEST ALONG THE NORTH LINE OF SAID PARCEL OF LAND AND THE WESTERLY EXTENSION OF SAID NORTH LINE TO THE WEST RIGHT-OF-WAY LINE OF DOUGLAS ROAD; THENCE NORTH ALONG SAID WEST RIGHT-OF-WAY LINE TO THE NORTH RIGHT-OF-WAY LINE OF BARBARA LANE EXTENDED WEST; THENCE EAST ALONG SAID NORTH RIGHT-OF-WAY LINE EXTENDED, TO THE EAST LINE OF SAID DOUGLAS ROAD; THENCE EAST ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID BARBARA LANE TO THE NORTHERLY EXTENSION OF THE WEST LINE OF A PARCEL OF LAND WITH A P.I.N. OF 03-03-100-014 AND DESCRIBED IN BOOK 468, PAGE 103 AS DOCUMENT NUMBER 927979, RECORDED AT THE KENDALL COUNTY RECORDERS OFFICE; THENCE SOUTH ALONG THE WEST LINE OF SAID PARCEL TO THE SOUTHWEST CORNER OF SAID PARCEL; THENCE EAST ALONG THE SOUTH LINE SAID PARCEL TO THE SOUTHEAST CORNER OF SAID PARCEL; THENCE NORTH ALONG THE EAST LINE OF SAID PARCEL TO THE NORTH LINE OF SAID BARBARA LANE; THENCE EAST ALONG SAID NORTH LINE TO A LINE 250 FEET WEST OF THE WEST LINE OF THE EAST 7.45 CHAINS OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 34; THENCE NORTH, PARALLEL TO SAID WEST LINE, TO THE SOUTH LINE OF A PARCEL OF LAND WITH A P.I.N. OF 15-34-352-018 AND DESCRIBED AS PARCEL ONE ON PAGE 3 OF DOCUMENT NUMBER 95K055503, RECORDED AT THE KANE COUNTY RECORDERS OFFICE; THENCE EAST ALONG SAID SOUTH LINE 35 FEET TO A LINE 215 WEST OF THE WEST LINE OF THE EAST 7.45 CHAINS OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 34; THENCE NORTH, PARALLEL TO SAID WEST LINE, TO THE SOUTH LINE OF A PARCEL OF LAND WITH A P.I.N. OF 15-34-352-016; THENCE WEST ALONG SAID SOUTH LINE AND

SAID SOUTH LINE EXTENDED TO THE WEST RIGHT-OF-WAY LINE OF DOUGLAS ROAD; THENCE NORTH ALONG SAID WEST RIGHT-OF-WAY LINE TO THE SOUTH LINE OF SAINT PAUL'S CEMETERY EXTENDED WEST; THENCE EAST ALONG SAID SOUTH LINE EXTENDED WEST AND THE SOUTH LINE OF SAID SAINT PAUL'S CEMETERY TO THE WEST LINE OF THE EAST 7.45 CHAINS OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 34, BEING ALSO THE WEST LINE OF THE JAMES F. KING PROPERTY PER DOCUMENT NO. 1672878; THENCE SOUTH ALONG SAID WEST LINE TO THE SOUTH LINE OF SAID SECTION 34; THENCE EASTERLY ALONG SAID SOUTH LINE TO THE EAST LINE OF THE KING PROPERTY DESCRIBED AS PARCEL THREE IN DOCUMENT NO. 98K010447; THENCE NORTH ALONG SAID EAST LINE AND SAID EAST LINE EXTENDED TO THE NORTH LINE OF WABANIA AVENUE RIGHT-OF-WAY; THENCE EAST ALONG SAID NORTH LINE TO THE EAST RIGHT-OF-WAY LINE OF SPENCER STREET AS DEDICATED ON W.B. MILLER'S 2ND ADDITION TO AURORA; THENCE SOUTH ALONG SAID EAST RIGHT-OF-WAY LINE TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 34; THENCE EAST ALONG SAID SOUTH LINE TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 35; THENCE EAST ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 35 TO THE SOUTHWESTERLY LINE OF THE FORMER ELGIN, JOLIET AND EASTERN RAILROAD COMPANY RIGHT-OF-WAY; THENCE SOUTHERLY ALONG SAID RIGHT-OF-WAY TO THE MONUMENTED EASTERLY LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 35; THENCE SOUTH ALONG SAID EASTERLY LINE TO THE SOUTH LINE OF SAID SECTION 35; THENCE WEST ALONG SAID SOUTH LINE TO AN OLD CLAIM LINE; THENCE SOUTHEASTERLY ALONG SAID OLD CLAIM LINE TO THE CENTERLINE OF WAUBANSEE CREEK THENCE SOUTHERLY ALONG SAID CENTERLINE TO THE NORTH LINE OF U.S. ROUTE 30; THENCE WESTERLY ALONG SAID NORTH LINE TO THE WEST LINE OF FIFTH STREET; THENCE NORtherly ALONG SAID WEST LINE TO THE POINT OF BEGINNING, ALL IN KANE AND KENDALL COUNTIES, ILLINOIS.

U.S. ROUTE 30/FIFTH STREET TIF
REDEVELOPMENT PROJECT AREA
MONTGOMERY
KANE AND KENDALL COUNTY, ILLINOIS

LOCATION MAP
N.T.S.

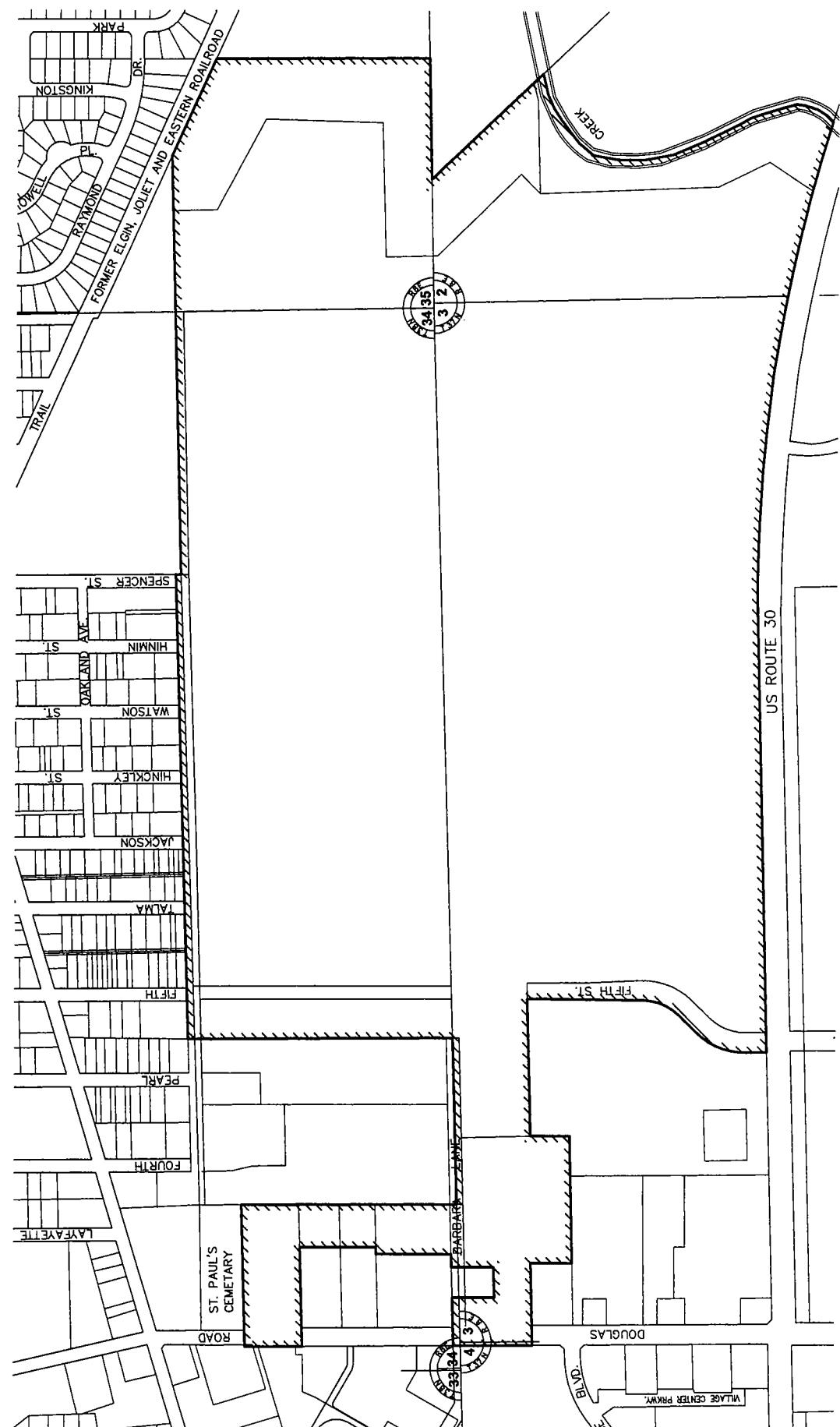


LEGAL DESCRIPTION

THE PROJECT AREA IS GENERALLY BOUNDED BY WAUBONSEA AVENUE ON THE NORTH, WAUBONSEE CREEK ON THE EAST, ROUTE 30 ON THE SOUTH, FIFTH STREET AND DOUGLAS ROAD ON THE WEST.

A MORE EXACT DESCRIPTION OF THE U.S. ROUTE 30/FIFTH STREET TIF REDEVELOPMENT PROJECT AREA
BOUNDARY IS AS FOLLOWS:

THAT PART OF SECTIONS 34 AND 35, TOWNSHIP 38 NORTH, RANGE 8 EAST OF THE THIRD MERIDIAN AND ALSO THAT PART OF SECTIONS 2 AND 3, TOWNSHIP 37 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTH EAST CORNER OF LOT 1 OF FARM AND FLEET SUBDIVISION; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 690.25 FEET; THENCE SOUTH 197.69 FEET ALONG A WEST LINE OF SAID LOT 1; THENCE WEST ALONG A NORTH LINE OF SAID LOT 1, 200.02 FEET TO THE NORTHEAST CORNER OF LOT 3 IN SPATZ SUBDIVISION; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 3, 438 FEET TO THE SOUTHEAST CORNER OF A PARCEL OF LAND WITH A P.I.N. OF 03-03-100-005 AND DESCRIBED AS PARCEL TWO IN DOCUMENT NUMBER 9603948 RECORDED AT THE KENDALL COUNTY RECORDERS OFFICE; THENCE NORTH ALONG THE EAST LINE OF SAID PARCEL OF LAND 208 FEET TO THE NORTHEAST CORNER OF SAID PARCEL OF LAND; THENCE WEST ALONG THE NORTH LINE OF SAID PARCEL OF LAND AND THE WESTERLY EXTENSION OF SAID NORTH LINE TO THE WEST RIGHT-OF-WAY LINE OF DOUGLAS ROAD; THENCE NORTH ALONG SAID WEST RIGHT-OF-WAY LINE TO THE NORTH RIGHT-OF-WAY LINE EXTENDED, TO THE EAST LINE OF SAID DOUGLAS ROAD; THENCE EAST ALONG SAID NORTH RIGHT-OF-WAY LINE, RIGHT-OF-WAY LINE OF SAID BARBARA LANE, TO THE NORTHERLY EXTENSION OF THE WEST LINE OF A PARCEL OF LAND WITH A P.I.N. OF 03-03-100-014 AND DESCRIBED IN BOOK 468, PAGE 103 AS DOCUMENT NUMBER 927979, RECORDED AT THE KENDALL COUNTY RECORDERS OFFICE; THENCE SOUTH ALONG THE WEST LINE OF SAID PARCEL TO THE SOUTHWEST CORNER OF SAID PARCEL; THENCE EAST ALONG THE EAST LINE OF SAID PARCEL TO THE SOUTHEAST CORNER OF SAID PARCEL; THENCE NORTH ALONG THE NORTH LINE TO A LINE 250 FEET WEST OF THE WEST LINE OF THE EAST 7.45 CHAINS OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 34; THENCE NORTH, PARALLEL TO SAID WEST LINE, TO THE SOUTH LINE OF A PARCEL OF LAND WITH A P.I.N. OF 15-34-352-018 AND DESCRIBED AS PARCEL ONE ON PAGE 3 OF DOCUMENT NUMBER 98K05503, RECORDED AT THE KANE COUNTY RECORDERS OFFICE; THENCE EAST ALONG SAID SOUTH LINE, 35 FEET TO A LINE 215 WEST OF THE WEST LINE OF THE EAST 7.45 CHAINS OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 34; THENCE SOUTH ALONG SAID WEST LINE, TO THE SOUTH LINE OF SAID PARCEL THREE IN DOCUMENT NO. 98K010447; THENCE NORTH WEST AND THE SOUTH LINE OF SAID SAINT PAUL'S CEMETERY TO THE WEST LINE OF THE EAST 7.45 CHAINS OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 34; BEING ALSO THE WEST LINE OF THE JAMES F. KING PROPERTY PER DOCUMENT NO. 1672878; THENCE SOUTH ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID SECTION 34; THENCE EASTERLY ALONG SAID SOUTH LINE TO THE EAST LINE OF THE KING PROPERTY DESCRIBED AS PARCEL THREE IN DOCUMENT NO. 98K010447; THENCE NORTH ALONG SAID EAST LINE AND SAID EAST LINE EXTENDED TO THE EAST RIGHT-OF-WAY LINE OF SPENCER STREET AS DEDICATED ON W.B. MILLER'S 2ND ADDITION TO AURORA; THENCE SOUTH ALONG SAID EAST LINE TO THE WEST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 34; THENCE EAST ALONG SAID SOUTH LINE TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 35; THENCE EAST ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 35 TO THE SOUTHWESTERLY LINE OF THE FORMER ELMIN, JOLET AND EASTERN RAILROAD COMPANY RIGHT-OF-WAY; THENCE SOUTHERLY ALONG SAID RIGHT-OF-WAY TO THE MONUMENTED EASTERLY LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 35; THENCE SOUTH ALONG SAID EASTERLY LINE TO THE SOUTH LINE OF SAID SECTION 35; THENCE WEST ALONG SAID SOUTH LINE TO THE OLD CLAIM LINE; THENCE SOUTHEASTERLY ALONG SAID OLD CLAIM LINE TO THE CENTERLINE OF WABAUNSEE CREEK; THENCE SOUTHERLY ALONG SAID CENTERLINE TO THE NORTH LINE OF U.S. ROUTE 30; THENCE WESTERLY ALONG THE POINT OF BEGINNING, ALL IN KANE AND KENDALL COUNTIES, ILLINOIS.



III. PROJECT AREA ELIGIBILITY CONDITIONS

The conditions summarized in this section are described in detail in a separate report, entitled *U.S. Route 30 and Fifth Street Tax Increment Financing Redevelopment Project Area Eligibility Study* (the "Eligibility Study"). The Eligibility Study, prepared by Ehlers, presents the definition, application and extent of the blighted area factors in the Project Area. The Eligibility Study is attached as Exhibit I to this Redevelopment Plan.

The Project Area conditions documented in this section are based on surveys and analyses conducted for the Village by Ehlers and the Village Engineer, Engineering Enterprises, Inc. ("EEI"). Based on the definitions set forth in the Act, the Project Area is found to be eligible for (i) classification as a "vacant blighted area" and (ii) designation as a redevelopment project area.

A. Surveys and Analyses Conducted

The summary of findings for the Project Area is based upon surveys and analyses conducted by Ehlers. The surveys and analyses conducted include:

1. Review of supporting secondary data and previously prepared plans, studies and data, including the Village of Montgomery's Stormwater Drainage and Detention Ordinance and the engineering analysis prepared by the Village's consultant engineers, Engineering Enterprises, Inc. and dated March 14, 2006.
2. Analysis of existing uses and their relationships to the surroundings;
3. Comparison of current land use to the current zoning ordinance and the current zoning map;
4. Analysis of original and current platting and air photos;
5. Analysis of vacant sites;
6. Review of Kendall and Kane County Assessor records for assessed valuations and equalization factors for the Project Area for assessment years 2000 to 2005.

B. Summary of Findings

To qualify for designation as a "vacant blighted area", the area must meet at least one of seven criteria listed in the Act rendering the Project Area detrimental to the sound growth of the taxing districts.

Specifically, the Project Area has been subdivided and is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.

Based on County Flood Insurance material and long-term knowledge of the watershed, the Village Engineer has certified that the Project Area is subject to chronic flooding which adversely impacts the development of the Project Area.

Overall, the Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project activities and improvements and qualifies as a vacant blighted area under the Act.

IV. REDEVELOPMENT GOALS AND POLICIES

Comprehensive and coordinated investment in new public and private improvements and facilities is essential for the successful development and redevelopment of the Project Area and the elimination of conditions that have impeded development of the Project Area in the past. Development of the Project Area will benefit the Village through improvements in the physical environment, an increased tax base, new residential and commercial opportunities, new jobs and job training opportunities and an increase in the vitality of the Project Area.

This section identifies the general goals and objectives for redevelopment of the Project Area. *Section V* of this Redevelopment Plan describes the overall redevelopment concept for the Project Area, specific design and development goals and redevelopment activities that the Village intends to undertake to achieve the redevelopment goals and objectives presented in this Section.

A. General Goals

Listed below are the general goals for redevelopment of the Project Area. These goals provide overall focus and direction for this Redevelopment Plan.

- An environment that will contribute more positively to the health, safety and general welfare of the Project Area, the Village and surrounding communities.
- Elimination of the factors that qualified the Project Area as a vacant blighted area.
- New investment and development that will preserve or enhance the value of properties within and adjacent to the Project Area, improving the real estate and sales tax base of the Village and other taxing districts having jurisdiction over the Project Area.
- A vibrant mixed-use activity area achieved through the addition of new destination locations, anchor components, developments and improvements.
- Attraction of new high-quality commercial, retail, and residential development.
- New stormwater management infrastructure and improvements.
- Improved street, utility and parking infrastructure and an enhanced streetscape environment.
- Enhancement and expansion of community facilities in the Project Area, potentially including, but not limited to, a branch library facility, recreation/playing fields, nature trails and amenities.
- A strong, positive visual image of the Project Area through attractive and high-quality building design and site improvements.

B. Redevelopment Objectives

Listed below are the redevelopment objectives which will guide planning decisions regarding redevelopment within the Project Area.

- Reduce or eliminate those conditions that qualify the Project Area as a vacant blighted area as documented in the Eligibility Study.
- Strengthen the economic well-being of the Project Area and the Village by returning vacant or underutilized properties to the tax rolls.
- Encourage a high-quality appearance of buildings, rights-of-way, and open spaces and encourage high standards of design.
- Encourage coordinated development of parcels and structures in order to achieve efficient building design and off-street parking and service facilities.
- Create an environment and provide incentives that stimulate private investment in new construction.
- Provide new community facilities to serve residents and stimulate activity and interest in the Project Area.
- Provide needed improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
- Upgrade utilities and infrastructure to provide for contemporary development.
- Assemble or encourage the assembly of land into parcels of appropriate shape and sufficient size for development and redevelopment in accordance with this Redevelopment Plan.
- Provide safe and efficient vehicular, bicycle and pedestrian circulation systems which will enable adequate access to, movement within and connections throughout the Project Area.
- Where possible, provide for consolidated off-street loading and service facilities which are screened and buffered from adjacent development areas and public streets.
- Provide an overall system of signage that will establish visual continuity, understandable way-finding routes, and promote a positive overall image for the Project Area.
- Undertake landscaping, lighting and signage improvements to upgrade the appearance of public rights-of-way within and adjacent to the Project Area.

V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the Village and by private entities in furtherance of this Redevelopment Plan. The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes:

- the overall redevelopment concept and goals;
- the land use plan;
- development and design objectives;
- a description of redevelopment improvements and activities;
- estimated redevelopment project costs;
- a description of sources of funds to pay estimated redevelopment project costs;
- a description of obligations that may be issued; and
- identification of the most recent EAV of properties in the Project Area and an estimate of future EAV.

A. Overall Redevelopment Concept and Land Use Plan

The Project Area should be developed as a cohesive, distinctive and active mixed-use area that exemplifies the Village's identity and character and serves as a good location for shopping, business, living, entertainment, recreation, and civic and community gatherings.

The Project Area should consist of (i) retail, commercial and business uses, offering a range of site development opportunities for contemporary retail and office uses; (ii) high-quality multi-family housing; (iii) recreational, public and community facilities including, but not limited to, a new branch library and recreational facilities. Limited manufacturing uses in accordance with Village ordinances and development guidelines may be appropriate in select locations.

Improvement projects should include: land consolidation for development of new retail, office, residential, commercial and business construction; stormwater management facilities, and improvements to streets, utilities and other public infrastructure; creation of new and upgrading of existing open space, landscaping features and Montgomery Preserve/Waubonsee Creek amenities; enhancement or addition of streetscaping treatments and pedestrian amenities; and the provision of new amenities which enhance the overall social, cultural, and aesthetic atmosphere of the Project Area. The Project Area should be served by a street system, parking facilities, access points and public infrastructure that provide safe and convenient access to and circulation within the Project Area for vehicles, pedestrians and bicycles, as appropriate. The Project Area should also be characterized by cohesive urban design features that organize and provide focus to the Project Area, including quality building materials; pedestrian amenities; distinctive lighting, signage and landscaping; and other appropriate amenities.

The Redevelopment Plan and the Redevelopment Project described herein conform to the land-use development policies and standards for the Village as set forth in the Village's 2002 *Comprehensive Plan* and the 2006 *Montgomery Preserve Sub-Area Plan*.

The Land Use Plan to be in effect upon adoption of this Redevelopment Plan designates the Project Area in total as a "Mixed Use District: Residential, Commercial, Business, Public, Institutional, Open Space and Recreational Uses." The permitted uses and development guidelines include those that are described in the 2006 *Montgomery Preserve Sub-Area Plan* (incorporated in the Village's 2002 *Comprehensive Plan* as a regulating plan), as well as any other use not in conflict with existing or future ordinances of the Village. The land use plan is shown in Figure 3: Land Use Plan

B. Development and Design Objectives

In coordination with the development of this Redevelopment Plan, the Village undertook the planning, drafting and adoption of the 2006 *Montgomery Preserve Sub-Area Plan* which addresses the Project Area and neighboring properties. The *Sub-Area Plan* includes development and design objectives that will assist the Village in directing and coordinating public and private improvements and investment within the Project Area in order to achieve the overall redevelopment concept, land use plan and general goals and objectives identified in *Section IV* of this Redevelopment Plan.

C. Redevelopment Improvements and Activities

The Village proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques including, but not limited to, tax increment financing, to undertake some or all of the activities and improvements authorized under the Act, including the activities and improvements described below. The Village also maintains the flexibility to undertake additional activities and improvements authorized under the Act, if the need for activities or improvements changes as redevelopment occurs in the Project Area.

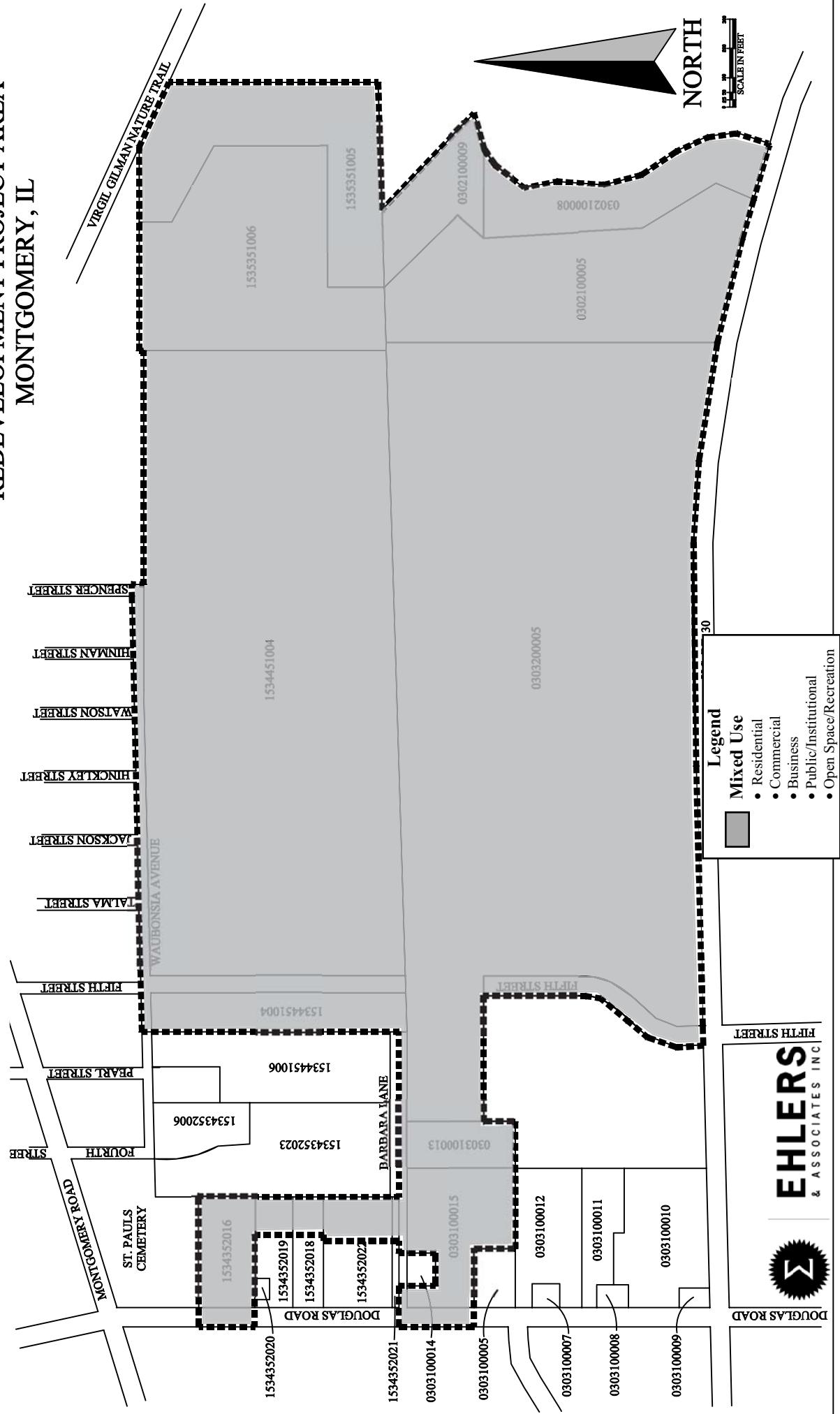
The Village may enter into redevelopment agreements with public or private entities for the furtherance of this Redevelopment Plan. Such redevelopment agreements may be for the assemblage of land; the construction, rehabilitation, renovation or restoration of improvements or facilities; the provision of services; or any other lawful purpose. Redevelopment agreements may contain terms and provisions, which are more specific than the general principles set forth in this Redevelopment Plan.

1. Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.

The Village may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage the Redevelopment Plan. The Village may

Figure 3: Land Use Plan

**US ROUTE 30 / FIFTH STREET TIF
REDEVELOPMENT PROJECT AREA
MONTGOMERY, IL**



also undertake the cost of marketing sites within the Project Area to prospective businesses, developers and investors.

2. Property Assembly, Site Preparation and Environmental Remediation

Property acquisition and land assembly by the private sector or public entities in accordance with this Redevelopment Plan will be encouraged by the Village. To meet the goals and objectives of this Redevelopment Plan, the Village may acquire and assemble any and all property within the Project Area. Land assemblage by the Village may be by purchase, exchange, donation, lease, or eminent domain and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. and may be for the purpose of: (a) sale, lease or conveyance to private developers or other public bodies; or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the Village may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the Village may devote acquired property to temporary uses until such property is scheduled for disposition and development. Property assembly may also include demolition of buildings, site preparation, and site improvements that serve as an engineered barrier to ground level or below ground level environmental contamination.

3. Provision of Public Works or Improvements

The Village may provide public improvements and facilities that are necessary to service the Project Area in accordance with the Redevelopment Plan and the *Comprehensive Plan*. Public improvements and facilities may include, but are not limited to, improvements to streets, sidewalks, stormwater management and other utilities and traffic control infrastructure.

4. Relocation

Relocation assistance may be provided in Accordance with the Act to facilitate redevelopment of portions of the Project Area and to meet other Village objectives.

5. Job Training and Related Educational Programs

Programs designed to increase the skills of the labor force that would take advantage of the employment opportunities within the Project Area may be implemented.

6. Building Rehabilitation

The Village may reimburse all or a portion of the costs incurred by property or business owners that undertake building rehabilitation projects in furtherance of the objectives of this Redevelopment Plan.

7. Interest Subsidies

Funds may be provided to redevelopers for a portion of interest costs incurred by a developer or redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;

- (b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with respect to the redevelopment project during that year;
- (c) if there are not sufficient funds available in the special tax allocation fund to make an interest payment, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total (i) cost paid or incurred by a redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the Village pursuant to the Act; and
- (e) the cost limits set forth in this paragraph in subparagraphs (b) and (d) above shall be modified to permit payment of up to 75 percent of interest costs incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

D. Redevelopment Project Costs

The various redevelopment expenditures which are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed necessary to implement this Redevelopment Plan (the “Redevelopment Project Costs”).

Eligible Redevelopment Project Costs

Redevelopment Project Costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, and any costs incidental to this Redevelopment Plan pursuant to the Act. Such costs may include, without limitation, the following:

- (1) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided that no charges for professional services are based on a percentage of the tax increment collected except that on and after November 1, 1999, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses;
- (2) The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
- (3) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not

limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

- (4) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- (5) Costs of the construction of public works or improvements; except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (g) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
- (6) Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
- (7) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- (8) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project;
- (9) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
- (10) Payment in lieu of taxes as defined in the Act;
- (11) Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and

maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act (as cited in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code (as cited in the Act);

- (12) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and
 - e) Up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
- (13) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
- (14) A library district's or an elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act; and
- (15) Up to 50 percent of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in

Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act.

(16) After November 1, 1999, none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

If a special service area has been established pursuant to the Special Service Area Tax Act, [35 ILCS 235/0.01 *et. seq.*] then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

Estimated Redevelopment Project Costs

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Table 1 of this Redevelopment Plan. All estimates are based on 2006 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Redevelopment Plan at the Village's discretion. To the extent that municipal obligations have been issued to pay for such Redevelopment Project Costs prior to, and in anticipation of, the adoption of TIF, the Village shall be reimbursed from Incremental Property Taxes for such Project Costs.

Redevelopment Project Costs described in this Redevelopment Plan are intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan.

In the event the Act is amended by the General Assembly after the date of the approval of this Redevelopment Plan by the Village to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/1-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible redevelopment project costs under the Redevelopment Plan to the extent permitted by the Act. In the event of such amendment(s) to the Act, the Village may add any new eligible redevelopment project costs as a line item in Table 1 or otherwise adjust the line items

in Table 1 without amendments to this Redevelopment Plan, to the extent permitted by the Act. Increases in estimated total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Redevelopment Plan adoption, are subject to the Redevelopment Plan amendment procedures as provided under the Act.

**TABLE 1: U.S. Route 30 and Fifth Street Tax Increment Financing Redevelopment Project Area
Estimated Redevelopment Project Costs**

ELIGIBLE EXPENSE	ESTIMATED COST
Analysis, Administration, Studies, Surveys, Legal, Marketing etc.	\$750,000
Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$5,000,000
Public Works & Improvements, including streets and utilities and public facilities or capital costs	\$17,000,000
Taxing District Costs ^[1]	\$3,000,000
Rehabilitation of existing buildings, fixtures and leasehold improvements	\$1,000,000
Interest Subsidies	\$1,000,000
Relocation Costs	\$100,000
Job Training and Vocational Education	\$150,000
TOTAL REDEVELOPMENT PROJECT COSTS	\$28,000,000 ^{[2][3][4]}

^[1] This category may include paying for or reimbursing (i) a library district or an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the Village by written agreement accepts and approves the same, the Village may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.

^[2] Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs, which are allowed pursuant to the Act, are substantial and are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

^[3] Increases in estimated total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Redevelopment Plan adoption, are subject to the Redevelopment Plan amendment procedures as provided under the Act.

^[4] As described in Section IV.E of this Redevelopment Plan, the amount of the total Redevelopment Project Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from Incremental Property Taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area which are paid from Incremental Property Taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right-of-way.

Total Redevelopment Project Costs listed above are expected to be paid for with Incremental Property Taxes, however, additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the Village's ability to finance Redevelopment Project Costs identified above.

E. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the Village may deem appropriate. The Village may incur Redevelopment Project Costs, which are paid for from funds of the Village other than Incremental Property Taxes, and the Village may then be reimbursed for such costs from Incremental Property Taxes. Also, the Village may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the Village may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Project Area may, in the future, be contiguous to or separated by only a public right-of-way from other redevelopment project areas created under the Act. The Village may utilize net Incremental Property Taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or redevelopment project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). If the Village finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the Village may determine that it is in the best interests of the Village and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such redevelopment project areas. The Village therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 1 of this Redevelopment Plan.

F. Issuance of Obligations

The Village may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the Village may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the Village may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the Village pursuant to this Redevelopment Plan and the Act shall be retired within twenty (20) years of their date of issuance, and no later than December 31 of the year in which the payment to the municipal treasurer is to be paid with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the Project Area and the Redevelopment Plan was adopted, such ultimate retirement date occurring on December 31, 2030.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds and any other lawful purpose. To the extent that Incremental Property Taxes are not needed for these purposes, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

G. Valuation of the Project Area

1. Most Recent EAV of Properties in the Project Area

The most recent EAV of the Project Area is estimated to total \$400,746 (\$349,754 in Kane County and \$50,992 in Kendall County). This EAV is based on the 2005 assessed valuation and is subject to verification by the County Clerk of Kane County and the County Clerk of Kendall County. After verification, the final figure shall be certified by the County Clerk of Kendall County, Illinois and the County Clerk of Kane County, Illinois. This certified amount shall become the Certified Initial EAV from which all Incremental Property Taxes in the Project Area will be calculated by Kendall County and Kane County. The Project Area's EAV by tax parcel is presented in Table 2 on the following page.

Table 2: 2005 EAV by Tax Parcel Number

PIN Number		2005 EAV
1	03-02-100-005	\$ 3,241
2	03-02-100-008	\$ 5,258
3	03-02-100-009	\$ 2
4	03-03-100-013	\$ 11,588
5	03-03-100-015	\$ 1,478
6	03-03-200-005	\$ 29,425
7	15-34-352-016	\$ -
8*	15-34-352-018	\$ 62,106
9*	15-34-352-019	\$ 76,671
10*	15-34-352-021	\$ 29,146
11*	15-34-352-022	\$ 145,922
12	15-34-451-004	\$ 26,500
13	15-35-351-005	\$ 3,510
14	15-35-351-006	\$ 5,899
TOTAL KANE		\$ 349,754
TOTAL KENDALL		\$ 50,992
TOTAL EAV		\$ 400,746

*1/3 of the 2005 Land AV was included for these parcels

Kane County PINs begin with "15" and Kendall County PINs begin with "03"

2. Anticipated Equalized Assessed Valuation

By the year 2030 and following the completion of the Redevelopment Plan and Project, the EAV of the Project Area is estimated to range from \$24 million to \$28 million. This estimate is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner over the next 5 to 15 years; 2) construction of approximately 350,000 square feet of new commercial, retail and restaurant space, 3) properties owned by taxing districts will become tax exempt 4) construction of approximately 548 multi-family apartment units; 5) the EAV of the Project Area will grow at the rate of 1.0 percent per annum; 6) a state equalization factor of 1.0000 is used in all years to calculate estimated EAV and 7) market conditions will sustain the active use of all developments.

VI. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE

As described in Section III of this Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of blighted area factors, which represent impediments to sound growth and development.

Despite a strong market location, Village efforts and acquisition of the primary portion of the Project Area by a developer nearly 14 years ago, the Project Area has not developed due to its designation as a special flood hazard area, associated drainage problems and the excessive costs of required stormwater management infrastructure and improvements.

In summary, the Project Area as a whole is eligible as a redevelopment project area, based on eligibility for a blighted area. The meaningful presence and reasonable distribution of blighted area conditions are detrimental to the public safety, health, and welfare of the Village and provide evidence to support the finding that the Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing and this Redevelopment Plan for the Project Area.

VII. FINANCIAL IMPACT

Without the adoption of this Redevelopment Plan and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of Village-sponsored redevelopment initiatives there is a prospect that blighted area conditions will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for new development, redevelopment and rehabilitation of existing buildings. In the absence of Village-sponsored development initiatives, erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Section V of this Redevelopment Plan describes the comprehensive Redevelopment Project proposed to be undertaken by the Village to create an environment in which private investment can occur. The Redevelopment Project will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment improvements and activities as well as the Redevelopment Project set forth in this Redevelopment Plan. Successful implementation of this Redevelopment Plan is expected to result in new private investment and new construction on a scale sufficient to eliminate problem conditions and to develop the area in a manner that would provide for long-term sound condition.

The Redevelopment Project is expected to have both short- and long-term positive financial impacts on the taxing districts affected by the Redevelopment Plan. In the short-term, the Village's effective use of TIF can be expected to stabilize existing assessed values in the market area that includes the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long-term, after the completion of all development improvements and activities, the Redevelopment Project and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in EAV caused by the Redevelopment Project.

VIII. DEMAND ON TAXING DISTRICT SERVICES

The following taxing districts or agencies currently levy taxes against properties located within the Project Area: Kendall County, Kane County, Kendall County Forest Preserve, Kane County Forest Preserve, Oswego Township, Aurora Township (including Township Road District), Oswego School District #308, East Aurora School District #131, Village of Montgomery, Waubonsee Community College District #516, Oswego Fire Protection District, South Park Fire Protection District, Oswegoland Park District, Fox Valley Park District, Oswego Library District and the Fox Metro Water Reclamation District.

The Redevelopment Plan provides primarily for public improvements as well as residential, and commercial development activity within the Project Area. The number and type of new development is not known at this time. It is anticipated that redevelopment projects implemented as part of the Redevelopment Project and Plan will cause increased demand for services or capital improvements on some of the taxing districts.

Since the thrust of this Redevelopment Plan is on residential and commercial development, an increased demand for services or capital improvements to be provided by School District #308, Waubonsee Community College District #516, Oswego Fire Protection District, South Park Fire Protection District, Fox River Metropolitan Water Reclamation District, Oswego Library District, Oswegoland Park District, Fox Valley Park District and the Village may be expected. The development of vacant land for active uses will likely result in additional demand for services and facilities of the taxing districts. For example, Village of Montgomery services, such as police protection, waste collection, water distribution, etc., are likely to be impacted. However, it is expected that any increase in demand for the Village and other impacted taxing districts' services can be adequately handled by the existing services and facilities or substantially financed by incremental property tax revenues derived from new improvements in the Project Area.

Regarding potential impacts on school and library districts, Ehlers estimated the potential number of new residents and students that may be generated as a result of the Redevelopment Project. Over the next five to ten years, the estimated potential residential development program for the Project Area includes the phased development of up to approximately 548 new multi-family housing units (one, two and three bedroom) in the Project Area. Based on the Village's subdivision ordinance methodology for estimating school age children and residents, this development could result in an additional population of approximately 1,059 persons, including 969 adults, 19 high school-aged children, 54 elementary and middle school-aged children, and 17 pre-school-aged children. Given the phased nature of potential development and the proposed housing type, the total increase in the demand for services from School District 308 is not anticipated to be significant—particularly in relation to the community's overall size and growth. Furthermore, the Act provides a method for reimbursing library and school districts for any increase in annual costs to a school district or library district attributable to housing units located within the Project Area for which a developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act.

It is expected that any increase in demand for township, county, forest preserve and water reclamation services and programs associated with the Project Area can be adequately handled by existing services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts.

Should demand increase beyond existing service and program capabilities for any taxing district, the Village will work with the affected taxing district to determine what, if any, program is necessary to provide adequate services (which would be separate from consideration of any taxing district's capital facilities within the Project Area). The Village may enter into intergovernmental agreements with taxing districts where TIF revenues can be used for all or a portion of various improvements to the applicable capital facilities, to the extent that such increased capital needs result from redevelopment projects incurred in furtherance of the objectives of this Redevelopment Plan.

IX. CONFORMITY OF THE REDEVELOPMENT PLAN AND PROJECT TO THE COMPREHENSIVE PLAN FOR THE DEVELOPMENT OF THE VILLAGE AS A WHOLE

This Redevelopment Plan and the Redevelopment Project described herein conform to the comprehensive plan for the Village as a whole as set forth in the Village's 2002 *Comprehensive Plan* and 2006 *Montgomery Preserve Sub-Area Plan*.

X. PHASING AND SCHEDULING

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that Village expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the Village.

The estimated date for completion of Redevelopment Projects is no later than December 31 of the year in which the payment to the Village treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., assuming Village Board approval of the Project Area and Redevelopment Plan in 2006, by December 31, 2030).

XI. PROVISIONS FOR AMENDING THE REDEVELOPMENT PLAN

This Redevelopment Plan may be amended pursuant to the Act.

XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN

The Village is committed to and will affirmatively implement the following principles with respect to the Redevelopment Plan:

- A) The assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Plan, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
- B) This commitment to affirmative actions will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

In order to implement these principles for this Redevelopment Plan, the Village shall require and promote equal employment practices and affirmative action on the part of itself and its contractors and vendors. In particular, parties engaged by the Village shall be required to agree to the principles set forth in this section.

XIII. IMPACT ON INHABITED RESIDENTIAL UNITS

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan. The Project Area contains no existing residential units.

EXHIBIT I:

**U.S. ROUTE 30 AND FIFTH STREET TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA**

ELIGIBILITY STUDY

**U.S. ROUTE 30 AND FIFTH STREET
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA
ELIGIBILITY STUDY**

VILLAGE OF MONTGOMERY, ILLINOIS

This Eligibility Study is subject to change based on review and comment by the Village and public through the time of the public hearing.

Prepared by Ehlers & Associates, Inc.

April 27, 2006
Final

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
I. BASIS FOR REDEVELOPMENT	4
II. THE PROJECT AREA AND ELIGIBILITY FINDINGS	7
III. ELIGIBILITY CONCLUSIONS	10

LIST OF FIGURES

Figure 1: Project Area Boundary	2
Figure 2: Engineer's Certification of Chronic Flooding	8
Figure 3: Engineer's Map of Regulatory Floodplain Areas.....	9

EXHIBIT

Exhibit I. Subdivision Certification

EXECUTIVE SUMMARY

The purposes of this report entitled *U.S. Route 30 and Fifth Street Tax Increment Financing Redevelopment Project Area Eligibility Study* (the "Eligibility Study") are to: (i) document the blighting factors that are present within the U.S. Route 30 and Fifth Street Redevelopment Project Area (the "Project Area") and (ii) conclude whether the Project Area of approximately 300 acres qualifies for designation as a vacant blighted area within the definition set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 et. seq., as amended.

The findings and conclusions contained in this Eligibility Study are based on documentation of physical conditions and research conducted by Ehlers & Associates, Inc. ("Ehlers") and documentation provided by Engineering Enterprises, Inc. ("EEI"), consulting engineers to the Village. The Village is entitled to rely on the information and findings presented in this Eligibility Study (including the information submitted as exhibit) in designating the Project Area as a redevelopment project area under the Act. Ehlers has prepared this Eligibility Study and the related U.S. Route 30 and Fifth Street Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan") with the understanding that the Village would rely on (i) the findings and conclusions of this Eligibility Study and the related Redevelopment Plan in proceeding with the designation of the Project Area as a redevelopment project area under the Act, and (ii) the fact that Ehlers has obtained the necessary information so that the Eligibility Study and the related Redevelopment Plan will comply with the Act. The determination of whether the Project Area qualifies for designation as a vacant blighted area pursuant to the Act is made by the Village after careful review and consideration of the conclusions contained in this Eligibility Study.

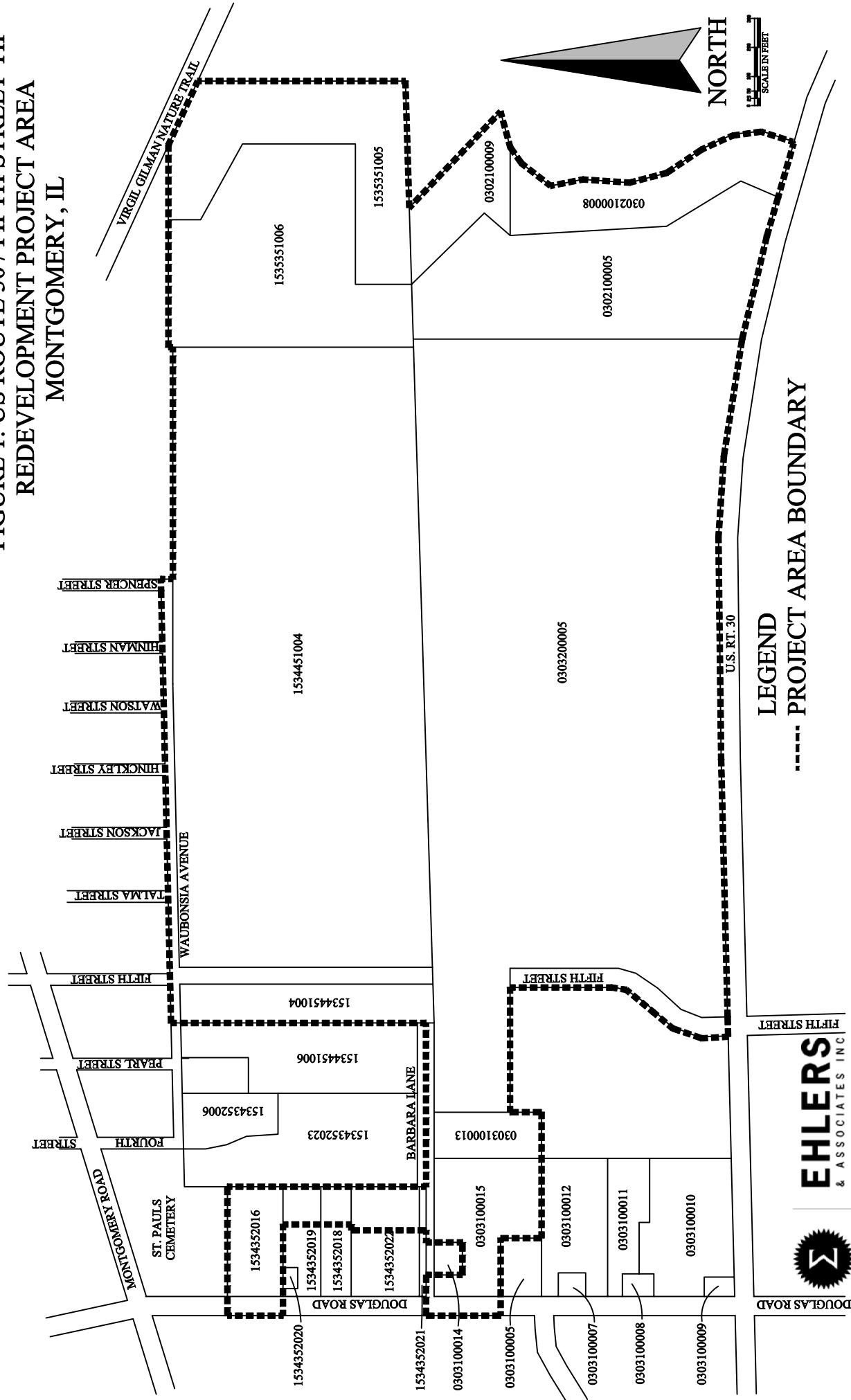
Project Area

The Project Area encompasses approximately 300 acres of vacant land that is generally bounded by Waubonsia Avenue on the north, U.S. Route 30 on the south, Waubonsee Creek on the east and portions of Fifth Street and Douglas Road on the west. The Project Area boundaries are shown in Figure 1: Project Area Boundary.

The Project Area is a vacant area located along one of Montgomery's key gateway commercial corridors—U.S. Route 30.

Existing conditions in the Project Area include vacant parcels that are subject to chronic flooding that adversely impacts on real property in the area. These conditions, combined with the general lack of private investment in the area led the Village to initiate the Eligibility Study. The Village engaged Ehlers to analyze conditions in the Project Area and determine whether the Project Area qualifies for designation as a "redevelopment project area" based on criteria for a vacant "blighted area" contained in the Act.

FIGURE 1: US ROUTE 30 / FIFTH STREET TIF
REDEVELOPMENT PROJECT AREA
MONTGOMERY, IL



Eligibility Evaluation

The approach taken to evaluate the presence of eligibility factors within the Project Area is listed below.

- Survey the Project Area and surrounding properties to document the physical conditions.
- Review supporting secondary and previously prepared plans and documents; including the engineering analysis prepared by EEI dated March 13, 2006.
- Evaluate the extent and distribution of eligibility factors that exist within the Project Area, and conclude whether the extent and distribution of the factors are sufficient to qualify the area for designation as a redevelopment project area.

Summary Conclusions

Based on the definitions set forth in the Act, the Project Area is found to be eligible for (i) classification as a vacant “blighted area” and (ii) designation as a redevelopment project Area.

To qualify the Project Area for designation as a redevelopment project area, the Village must find that the sound growth of the Project Area is impaired by one of seven factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the Project Area.

Specifically, the Project Area has been subdivided and the Village Engineer has certified that the Project Area is subject to chronic flooding that adversely impacts on real property in the area and the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.

Overall, the Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project activities and improvements and qualifies as a vacant blighted area under the Act.

I. BASIS FOR REDEVELOPMENT

A. INTRODUCTION

The Illinois General Assembly made two key findings in adopting the Act:

- That blighted and conservation areas exist in many municipalities within the State of Illinois; and
- That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

These conclusions were made on the basis that the presence of blight or conditions which lead to blight are detrimental to the safety, health, welfare and morals of the public.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that a prospective redevelopment project area qualifies either as a "blighted area" or as a "conservation area," or a combination of both, within the definitions set forth in the Act (in Section 11-74.4-3). The definitions for a vacant blighted area are described below.

As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1½ acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted and conservation areas. The Project Area exceeds the minimum acreage requirements of the Act.

B. ELIGIBILITY OF A VACANT BLIGHTED AREA

Definition of Vacant Land

According to the Act, "vacant land" means any parcel or combination of parcels of real property without industrial, commercial, and residential buildings which has not been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, unless the parcel is included in an industrial park conservation area or the parcel has been subdivided; provided that if the parcel was part of a larger tract that has been divided into 3 or more smaller tracts that were accepted for recording during the period from 1950 to 1990, then the parcel is deemed to have been subdivided, and all proceedings and actions of the municipality taken in that connection with respect to any previously approved or designated redevelopment project area or amended redevelopment project area are considered to be legally sufficient for all purposes of the Act. For the purposes of this definition of vacant land within the Act and only for land subject to the subdivision requirements of the Illinois Plat Act, land is subdivided when the original plat of the proposed redevelopment project area or relevant portion thereof has been properly certified, acknowledged, approved, and recorded or filed in accordance with the Illinois Plat Act and a preliminary plat, if any, for any subsequent phases of the proposed redevelopment

project area or relevant portion thereof has been properly approved and filed in accordance with the applicable ordinance of the municipality.

Blighted Area Factors

If the area is vacant, it may be found to be eligible as a blighted area if the project area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

1. A combination of 2 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area:
 - Obsolete platting of the vacant land;
 - Diversity of ownership of such land;
 - Tax and special assessment delinquencies on such land;
 - Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land;
 - The area has incurred or is in need of significant environmental remediation costs; and
 - The total equalized assessed valuation has declined or lagged behind the Village.
2. The presence of one of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the redevelopment project area:
 - The area consists of one or more unused quarries, mines or strip mine ponds;
 - The area consists of unused rail yards, rail tracks or railroad rights-of-way;
 - The area, prior to the area's designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding;
 - The area consists of an unused or illegal disposal site, containing earth, stone, building debris or similar material, that were removed from construction, demolition, excavation or dredge sites;
 - Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial

agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets certain other qualifying criteria; and

- The area immediately prior to becoming vacant qualified as a blighted improved area, unless there has been substantial private investment in the immediately surrounding area.

II. THE PROJECT AREA AND ELIGIBILITY FINDINGS

Project Area

The Project Area encompasses approximately 300 acres of vacant land that is generally bounded by Waubonsia Avenue on the north, U.S. Route 30 on the south, Waubonsee Creek on the east and portions of Fifth Street and Douglas Road on the west. The Project Area boundaries are shown in Figure 1: Project Area Boundary.

The Project Area is a vacant area located along one of Montgomery's key gateway commercial corridors—U.S. Route 30. The Project Area is located on the north side of U.S. Route 30 and is adjacent to established and expanding commercial development emanating from the intersection of Douglas Road and U.S. Route 30 including Settlers Landing Shopping Center (Montgomery) and Townes Crossing Shopping Center (Oswego). While the Project Area is situated in a strong market location, it faces significant development challenges due to its designation as a special flood hazard area, associated drainage problems and the excessive cost of required stormwater management infrastructure and improvements.

Existing conditions in the Project Area include vacant parcels that are subject to chronic flooding that adversely impacts on real property in the area.

Vacant Area Eligibility Findings

A portion of the Project Area has been farmed for commercial purposes within the past five years. Accordingly, pursuant to the Act, prior to the Village designating the Project Area as a redevelopment project area, the properties must be shown to have been subdivided. Exhibit I to this Eligibility Study provides evidence that the Project Area has been subdivided in accordance with the Illinois Plat Act.

Based on County Flood Insurance material and long-term knowledge of the watershed, Engineering Enterprises, Inc. ("EEI" or "Village Engineer") has certified that the Project Area is subject to chronic flooding which adversely impacts the development of the Project Area. EEI inspected the Project Area to document the extent to which flooding occurs on all or part of the Project Area. Figures 2 and 3, illustrate the Village Engineer's documentation of flooding on all or part of the Project Area. The conclusion of the Village Engineer is that the Project Area is subject to chronic flooding.

The factor of chronic flooding is present to a meaningful extent and is reasonably distributed throughout the Project Area and adversely impacts the property of the Project Area. As a result, the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action and the adoption of tax increment financing.



**Engineering
Enterprises,
Inc.**

**52 Wheeler Road • Sugar Grove, IL 60554
TEL: 630 / 466-9350
FAX: 630 / 466-9380
www.eeiweb.com**

March 14, 2006

Ms. Anne Marie Gaura
Village Manager
Village of Montgomery
1300 South Broadway
Montgomery, IL 60538

Re: Proposed U.S. Route 30/Fifth Street TIF Area – Flood Certification Letter

Dear Ms. Gaura:

This letter is to certify that the areas designated on the attached U.S. Route 30/Fifth Street TIF redevelopment project area exhibit are designated as Special Flood Hazard Area per the Flood Insurance Study, Kane County, Illinois Volumes 1, 2 and 3 of 3 dated December 20, 2002 and Flood Insurance Rate Maps Number 17089C0402F and 17089C0406F effective date December 20, 2002.

The designated Base Flood Elevation (100 year elevation) for this area is 665.1 Mean Sea Level (MSL) per interpretation of the flood profiles in the above referenced Flood Insurance Study.

I have personally witnessed flooding on the subject property in 1996. In fact the recorded high water mark on the subject area during the July 1996 flood was 667.85 MSL.

Based on our review of the relevant flood insurance information, knowledge of the watershed and property this area is adversely impacted by flooding.

If you have any questions or require any additional information please contact our office.

Respectfully Submitted,

ENGINEERING ENTERPRISES, INC.

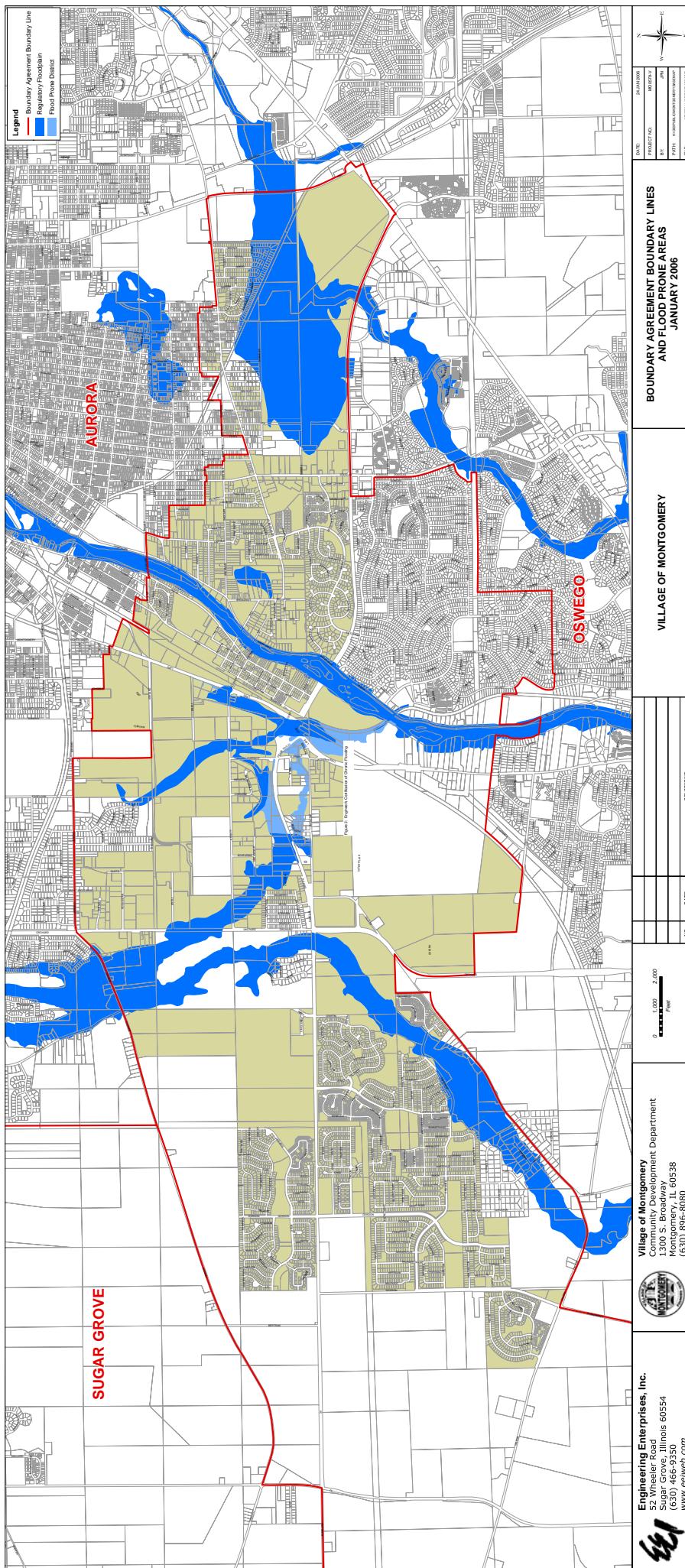
Peter G. Wallers, P.E., C.F.M.
President

PGW/rak/arf
Enclosure

pc: Ms. Amy Furfori, Director of Community Development
Mr. Steve Andersson & Mr. Pete Wilson, Village Attorneys
Ms. Lisa Lyons, Ehlers & Associates, Inc.

G:\Public\MONTGOME\2005\MO0517-V TIF\Doc\03-13-06 Gaura Ltr.doc

Figure 3: Regulatory Floodplain Areas



III. ELIGIBILITY CONCLUSIONS

The Project Area meets the requirements of the Act for designation as a “vacant blighted area”.

The Project Area has been subdivided and the Village Engineer certifies that the area is subject to chronic flooding that adversely impacts on real property in the area and the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.

The conclusion of the Eligibility Study is that the Project Area is in need of development and redevelopment to ensure that it will contribute to the long-term physical, economic, and social well-being of the Village. The presence of blight factors in the Project Area indicates that the Project Area has not been subject to sound growth and development through investment by private enterprise, and is not reasonably anticipated to be redeveloped without public action.

EXHIBIT I: SUBDIVISION CERTIFICATION

MICKEY, WILSON, WEILER, RENZI & ANDERSSON, P.C.

ATTORNEYS AT LAW

2111 PLUM STREET, SUITE 201

AURORA, ILLINOIS 60506

www.mickeywilson.com

GARY K. MICKEY
PETER K. WILSON, JR.
BERNARD K. WEILER
CONSTANCE BURNETT RENZI
STEVEN A. ANDERSSON
DEAN M. FRIEDERS
SUSAN M. FALLON

MAILING ADDRESS: P.O. BOX 787
AURORA, ILLINOIS 60507-0787

TELEPHONE: (630) 801-9699
FAX: (630) 801-9715

WRITER'S E-MAIL: saa@mickeywilson.com

April 27, 2006

Ms. Lisa Lyon
Ehlers & Associates, Inc.
550 Warrenville Road, Suite 220
Lisle, IL 60532

Re: Montgomery TIF Area Previous Subdivision Requirement

Dear Lisa:

Per our discussion, enclosed with this correspondence please find copies of title evidence showing that the area that is currently the subject of the TIF has previously been subdivided in accordance with the Plat Act (and in fact re-subdivided as well) in the recent past. I enclose as evidence of that two warranty deeds relating to a portion of the property that was split off from the whole and the Plat of Resubdivision called the Farm and Fleet Resubdivision which was previously a portion of the entire Inland site.

We believe this satisfies the TIF Act requirement of a previous subdivision. Should you have any questions regarding this, please do not hesitate to call.

Very truly yours,



Steven A. Andersson

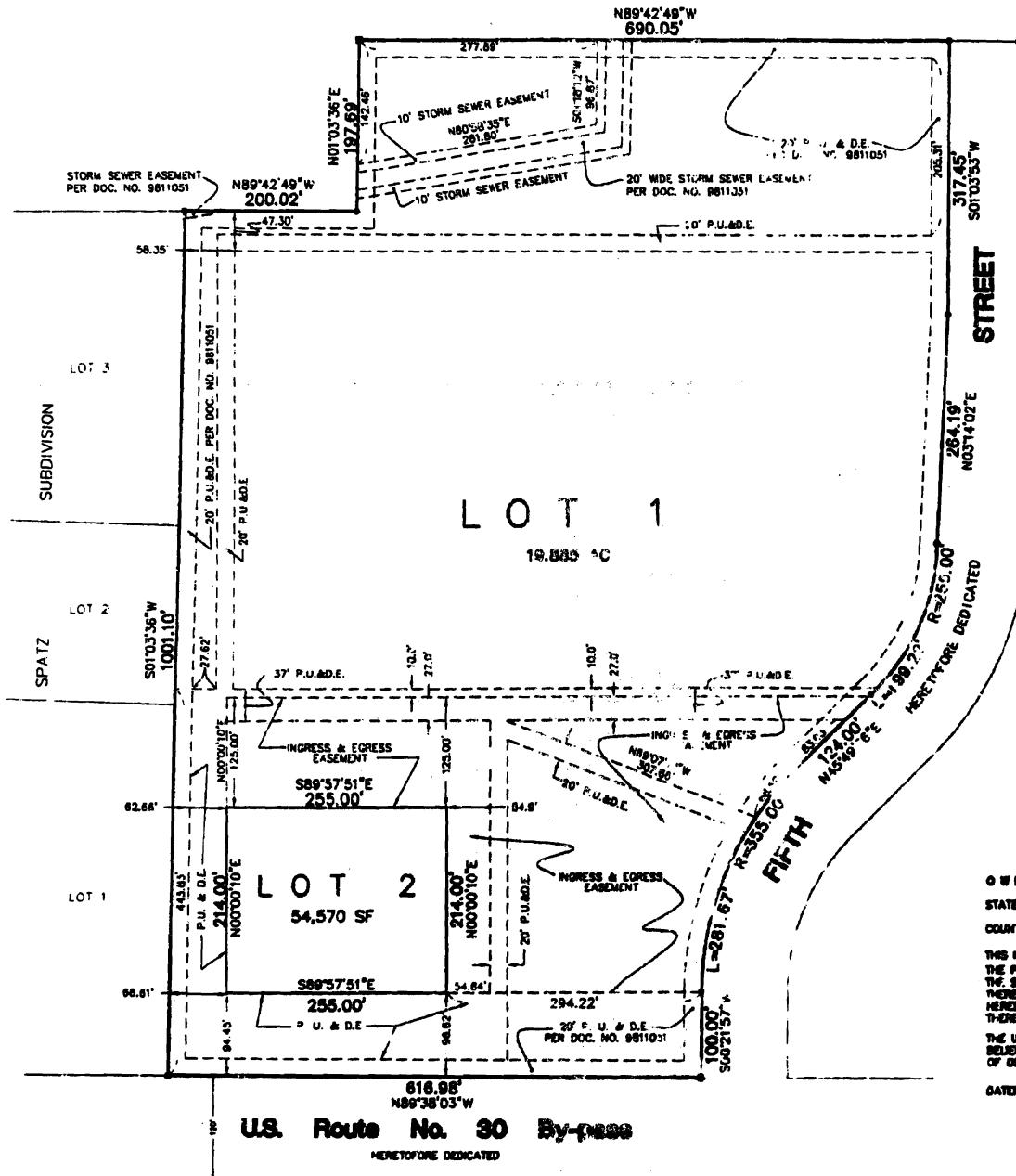
SAA:mar
Enclosures

cc: Kathleen Orr
Anne Marie Gaura
Pete Wallers

FIN

FARM AND FL

A RESUBDIVISION OF
IN THE NW 1/
VILLAGE OF MONTGOMERY



OWNER'S CERTIFICATE
STATE OF }
COUNTY OF }
 SS
)

THIS IS TO CERTIFY THAT FREEPORT FARM IS THE PROPERTY DESCRIBED IN THE ANNEALED P.
THE SAME TO BE SURVEYED, SUBDIVIDED AND THEREON, FOR THE USES AND PURPOSES THE
HEREBY ACKNOWLEDGE AND ADOPT THE SAME
THEREON INDICATED.

THE UNDERSIGNED FURTHER STATES THAT TO
BELIEF ALL OF THE LAND INCLUDED IN THIS
OF FISHER COMMUNITY SCHOOL DISTRICT #1

DATED AT Rock County,

**FREEPORT FARM
3007 EAST RACE
JAMESVILLE, WISCONSIN**

At: Robert B. Spain
President

NOTARY CERTIFICATE

STATE OF WISCONSIN)
COUNTY OF ROCK }
1. Bellin in Plaintiff's NOTARY PUBLIC
AND STATE DO HEREBY CERTIFY THAT John
W. Bellin is a person whose name is above him
the same persons whose names are above him
in this paper and also certify that that he
is an aged person and voluntary ACT I
FIREPROOF FARM AND FLEET, INC., AS OWNER
OF THE PROPERTY.

GIVEN UNDER MY HAND AND NOTARIAL SEAL
2009.

Engineering Enterprises, Inc.
CIVIL ENGINEERS & LAND SURVEYORS
52 Wheeler Road
Sugar Grove, Illinois 60554
Phone: (837) 466-9350

FINAL PLAT FLEET RESUBDIVISION

OF LOT 1, FARM AND FLEET SUBDIVISION
1/4 SECTION 3, T. 37 N., R. 8 E.
MONTGOMERY, KENDALL COUNTY, ILLINOIS

EASEMENT PROVISIONS

Public Utility and Drainage Easement (P.U. and D.E.)

An Easement is hereby reserved for and granted to the Village of Montgomery and its successors and assigns, for the installation, maintenance, relocation, renewal and removal of improvements and appurtenances to serve the public and other lands such as Sanitary Sewer, Storm Sewer, Storm Drains, Storm Water Management facilities, Water Main and other public utility and drainage facilities, over, under, and upon the areas herein designated as Public Utility and Drainage Easement (P.U. & D.E.).

No structure shall be erected over said areas, but some may be used for landscaping, fencing, parking or for other purposes, if approved by the Village of Montgomery, as such use does not then cross said areas or interfere with the aforesaid purposes. Improvements by others shall be permitted to over, under and upon the areas herein designated as Public Utility and Drainage Easement (P.U. & D.E.).

An Easement is hereby reserved for and granted to NUCOR, its successors and assigns, in all platted "Public Utility Easement" areas, streets, alleys, other public ways and places shown on this plat, said easement to be for the installation, maintenance, relocation, renewal and removal of gas mains and appurtenances for the purpose of serving the areas shown on this plat as well as other property, which may not be building areas, which may be converted or erected in any such "easement" areas, streets, alleys, or other public ways or places, nor shall any other use be made thereof which will interfere with the easements reserved and granted hereby.

An easement for serving the subdivision and other property with electric and communications service is hereby reserved for and granted to

ComEd

and

Ametech, Grantees

and the local franchise cable television operation.

Their respective successors and assigns, jointly and severally, to install, operate, maintain and remove, from time to time, facilities, equipment, structures, transmission lines, and other facilities for the transmission and distribution of electricity and sounds and signals in, across, along and upon the surface of the property shown within the dotted lines on the plat and marked "Public Utility Easement", and the right to install required service connections under the surface of each lot to serve improvements thereon, or any adjacent lots, and the right to cut, trim or remove trees, bushes and roots as may be necessary to maintain the subdivision property in a safe and orderly condition, and to use the subdivided property for all such purposes. Obstructions shall not be created by the grantee facilities or in, upon or over the property within the dotted lines marked "Public Utility Easement" without the prior written consent of grantee. After installation of any such facilities, the grade of the subdivision property shall not be altered in a manner so as to interfere with the proper operation and maintenance thereof.

Relocation of facilities will be done by Grantees at cost of Grantor/Lot Owner, upon written request.

1" = 100'

CONCRETE MONUMENT
TY AND DRAINAGE EASMENT

NO FLEET, INC. HAS RECORD TITLE TO
PLAT, AND HAS CAUSED
AND ALLEGEDLY HAS CAUSED
EVER SINCE, AND DOES
IE UNDER THE STYLE AND TITLE

THE BEST OF HIS KNOWLEDGE AND
PLAT LOTS WITHIN THE BOUNDARIES
KENDALL COUNTY

THE 11th DAY OF February, 2000.

AND FLEET, INC.
IN THE STREET
ZIPCODE 63347

By Paul Anderson
SECRETARY

ILLINOIS 60526
AND
PERSONALLY KNOWN TO ME TO BE
DEPOSED AND SWORN TO IN THE CITY OF SUGAR GROVE, ILLINOIS, APPEARED BEFORE
ME SWORN AND SIGNED THIS 11th DAY OF FEBRUARY, 2000,
AND AS THE FREE AND VOLUNTARY ACT OF
FLEET, INC. FOR THE USES AND PURPOSES THEREIN.

THIS 11th DAY OF February,

SURVEYOR'S CERTIFICATE

STATE OF ILLINOIS
COUNTY - KANE SS

THIS IS TO CERTIFY THAT I, JOHN T. WHITEHOUSE, ILLINOIS PROFESSIONAL LAND SURVEYOR, NO. 35-272, AT THE REQUEST OF THE OWNERS THEREOF HAVE SURVEYED, RESUBDIVIDED AND PLATED THE FOLLOWING DESCRIBED PROPERTY:

LOT 1 IN FARM AND FLEET SUBDIVISION, A SUBDIVISION OF PART OF THE NORTHWEST QUADRANT OF SECTION THREE, TOWNSHIP 37 N., RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF, RECORDED AUGUST 12, 1988 AS DOCUMENT NUMBER 8811051, IN KENDALL COUNTY, ILLINOIS.

I FURTHER CERTIFY THAT THE PLAT HEREBY DRAWN IS A CORRECT AND ACCURATE REPRESENTATION OF SAID SURVEY AND RESUBDIVISION. ALL DISTANCES ARE SHOWN IN FEET AND DECIMAL PART THEREOF, CORRECT TO A TEMPERATURE OF 62 DEGREES FAHRENHEIT.

I FURTHER CERTIFY THAT THE ABOVE DESCRIBED PROPERTY IS WITHIN THE CORPORATE LIMITS OF THE VILLAGE OF MONTGOMERY, WHICH HAS ACCEPTED AN OFFICIAL PLAN AND THAT PART OF THE SUBJECT PROPERTY LIES WITHIN A SPECIAL FLOOD HAZARD AREA DESIGNATED A-1 AS IDENTIFIED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY AND THE ILLINOIS PLANNING BOARD, NO. 170341 0030 C AND 170341 0035 C, effective date July 19, 1982.

I FURTHER CERTIFY THAT I HAVE SET ALL SUBDIVISION MONUMENTS AND DESCRIBED THEM ON THIS FINAL PLAT AS REQUIRED BY THE PLAT ACT (ILLINOIS REVISED STATUTES 1977, CHAPTER 105, SECTION 1).

I FURTHER CERTIFY THAT THE LAND INCLUDED IN THIS PLAT OF SUBDIVISION LIES WITHIN THE CORPORATE LIMITS OF THE VILLAGE OF MONTGOMERY, ILLINOIS, WHICH EXERCISES THE SPECIAL POWERS AUTHORIZED BY DIVISION 12 OF ARTICLE 11 OF THE ILLINOIS MUNICIPAL CODE AS AMENDED.

GIVEN UNDER MY HAND AND SEAL, AT SUGAR GROVE, ILLINOIS THIS 12th DAY OF JANUARY, 2000.

John T. Whitehouse
JOHN T. WHITEHOUSE
PROFESSIONAL LAND SURVEYOR
STATE OF ILLINOIS



VILLAGE ENGINEER'S CERTIFICATE

I, Peter G. Waller, Village Engineer of the Village of Montgomery, Illinois, hereby certify that the land improvements described in the annexed plat and the plans and specification thereto, meet the minimum requirements of said village and have been approved by all public authorities having jurisdiction thereof.

Dated at this 31st day of January, 2000.

Peter G. Waller
Village Engineer



PLAN COMMISSION CERTIFICATE

State of Illinois SS
County of Kendall

Approved by the Planning Commission of the Village of Montgomery, Kane and Kendall Counties, Illinois. Dated at 11th day of January, 2000.

By Mark B. L.

Title: Plan Commission Chairman

Attest: Mark B. L.

Title: Secretary

VILLAGE TREASURER'S CERTIFICATE

State of Illinois SS
County of Kendall

I, Barbara L. Horner, Village Treasurer of the Village of Montgomery, Illinois hereby certify that no delinquent or unpaid current or forfeited special assessments or any deferred installments thereof that have been apportioned against this tract of land included in the plat.

Dated at Montgomery, Kane and Kendall County, Illinois, this 1st day of January, 2000.

Barbara L. Horner
Village Treasurer

VILLAGE CLERK'S CERTIFICATE

State of Illinois SS
County of Kendall

I, Barbara L. Horner, Village Clerk of the Village of Montgomery, Illinois, hereby certify that the annexed plat was presented to and by resolution duly approved by the Board of Trustees of said Village at its meeting held on January 31, 2000, and that the required bond or other guarantee has been posted for the completion of the improvements required by the regulations of said Village.

In witness whereof, I have hereunto set my hand and seal of the Village of

Montgomery, Illinois, this 1st day of January, 2000.

Barbara L. Horner
Village Clerk



COUNTY CLERK'S CERTIFICATE

State of Illinois SS
County of Kendall

This is to certify that I, Paul P. Anderson, County Clerk, in and for the County and State aforesaid, find no remissible tax sales or unpaid taxes or taxes in arrears, or taxes or taxes in arrears, or taxes or taxes against any of the real estate described in the foregoing surveyor's certificate.

Dated at Yorkville, Illinois this 11th day of January, 2000.

Paul P. Anderson, Kendall County Clerk

RECORDER'S CERTIFICATE

State of Illinois SS
County of Kendall

This instrument No. 2001990, was filed for record in the Recorder's Office of Kendall County, Illinois, on the 11th day of January, 2000.

at o'clock M., and was recorded in Cabinet of Plots at Stot

Paul Anderson
Kendall County Recorder

Helen Behrens
Deputy

REVISED: 01/11/00
DATE PREPARED: 12/23/99
PROJECT: MO984601

9910493 07/15/1999 10:20A 1 of 3
Paul Anderson, Kendall County, IL Recorder

TRUSTEE'S DEED

THIS INDENTURE, made this 30th day of JUNE, 1999
between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,* a National Banking Association, duly authorized to accept and execute trusts within the State of Illinois, not personally but as Trustee under the provisions of a deed or deeds in trust duly recorded and delivered to said Bank in pursuance of a certain Trust Agreement, dated the 16TH DAY OF JANUARY, 1992 and known as Trust Number 115028-04

party of the first part, and

FREEPORT FARM & FLEET, INC., AN ILLINOIS CORPORATION, 3507 EAST RACINE STREET, JANESVILLE, WISCONSIN 53547

party/parties of the second part.

WITNESSETH, that said party of the first part, in consideration of the sum of TEN AND NO/100

(\$10.00)--- Dollars and other good and valuable consideration in hand paid, does

hereby convey and QUIT-CLAIM unto said party/parties of the second part, the following described real estate, situated in KENDALL County, Illinois, to-Wit:

SEE ATTACHED LEGAL DESCRIPTION

Commonly known As: LOT 1 IN FARM AND FLEET SUBDIVISIONProperty Index Number: 03-03-100-016

together with the tenements and appurtenances thereunto belonging.

TO HAVE AND TO HOLD, the same unto said party of the second part, and to the proper use, benefit and behoof, forever, of said party of the second part.

This deed is executed by the party of the first part, as Trustee, as aforesaid, pursuant to and in the exercise of the power and authority granted to and vested in it by the terms of said Deed or Deeds in Trust and the provisions of said Trust Agreement above mentioned, and of every other power and authority thereunto enabling. This deed is made subject to the liens of all trust deeds and/or mortgages upon said real estate, if any, recorded or registered in said county.

IN WITNESS WHEREOF, said party of the first part has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by one of its officers, the day and year first above written.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Prepared By:

American National Bank and Trust
Company of Chicago
2000 S. Naperville Road, Wheaton, IL

as Trustee, as aforesaid, and not personally,

BY _____

EVA HIGI, TRUST OFFICER

STATE OF ILLINOIS) I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify
COUNTY OF DUPAGE) E. Higi, a Trust Officer of American National Bank and Trust Company of
Chicago personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me
this day in person and acknowledged that said Trust Officer of said association signed and delivered this instrument as a free and
voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and seal this 30TH DAY OF JUNE, 1999

MAIL TO:



TAX BILLS TO:

"OFFICIAL SEAL"

Kyle K. Bernardi
Notary Public, State of Illinois
My Commission Expires May 17, 2003

NOTARY PUBLIC

"AL SEAL"

Bernardi
Notary Public, State of Illinois
My Commission Expires May 17, 2003

Freeport Farm & Fleet Inc.
P.O. Box 391 3507 E. Racine St.
Janesville, WI 53547

CHICAGO TITLE INSURANCE CO
Aurora/Yorkville Office

LEGAL DESCRIPTION

LOT 1 IN FARM AND FLEET SUBDIVISION, PLAT RECORDED AUGUST 12, 1998 AS DOCUMENT 9811051, IN THE VILLAGE OF MONTGOMERY, IN KENDALL COUNTY, ILLINOIS.

SUBJECT TO: GENERAL REAL ESTATE TAXES FOR 1998 AND ALL SUBSEQUENT YEARS AND COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS OF RECORD.

PROPERTY ADDRESS: LOT 1 IN FARM AND FLEET SUBDIVISION

PROPERTY INDEX NO.: 03-03-100-016

03-03-100-003 underlying

STATE TAX	STATE OF ILLINOIS	# 00000000142	REAL ESTATE TRANSFER TAX
			JUL.14.99
KENDALL COUNTY			FP326656

COUNTY OF KENDALL
REAL ESTATE TRANSFER TAX
\$ 653.75

471781

(2)

WARRANTY DEED

ILLINOIS STATUTORY
(Corporation to Corporation)

0002998 03/17/2000 02:42P 1 of 3
Paul Anderson, Kendall County, IL Recorder

MAIL TO:

Atty. George W. Werden
741 Centre View Blvd., Ste. 100
Crestview Hills, KY 41017

NAME & ADDRESS OF TAXPAYER:
APPLELAND, L.L.C.
741 Centre View Blvd., Ste. 100
Crestview Hills, KY 41017

COUNTY OF KENDALL
REAL ESTATE TRANSFER TAX

\$ 210.25

RECORDER'S STAMP

THE GRANTOR FREEPORT FARM & FLEET, INC.

a corporation created and existing under and by virtue of the laws of the State of Illinois and duly authorized to transact business in the State of Illinois, for and in consideration of Ten DOLLARS and other good and valuable considerations in hand paid, and pursuant to authority given by the Board of Directors of said corporation, CONVEYS AND WARRANTS to APPLELAND, L.L.C. a ~~corporation~~ ^{limited liability company} organized and existing under and by virtue of the Laws of the State of Illinois having its principal office at the following address 741 Centre View Blvd., Ste. 100, Crestview Hills, KY 41017 all interest in the following described real estate situated in the County of Kendall, in the State of Illinois, to wit:

See attached rider.

NOTE: If complete legal cannot fit in this space, leave blank and attach a separate 8-1/2" x 11" sheet, with a minimum of 1/2" clear margin on all sides.

Permanent Index Number(s): Part of 03-03-100-016

Property Address:

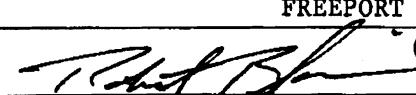
In Witness Whereof, said Grantor has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its President, and attested by its Secretary, this 10th day of March, 2000.

IMPRESS
CORPORATE
SEAL HERE

FREEPORT FARM & FLEET, INC.

(Name of Corporation)

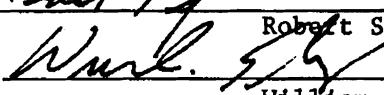
BY:



Robert S. Blain

PRESIDENT

ATTEST:



William C. Schendt

SECRETARY

NOTE: PLEASE TYPE OR PRINT NAME BELOW ALL SIGNATURES

COMPLIMENTS OF  Chicago Title Insurance Company

CHICAGO TITLE INSURANCE COMPANY
Aurora/Yorkville

Form No. 1170

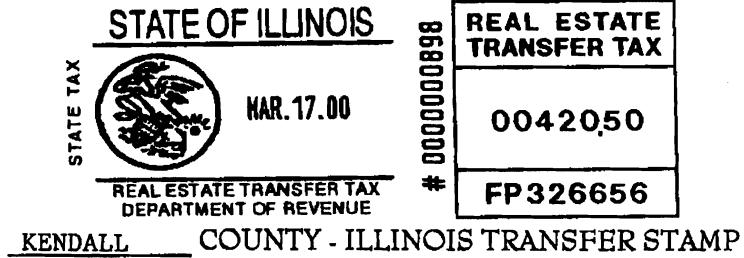
WISCONSIN }
 STATE OF ~~ILLINOIS~~ } SS.
 County of Rock }

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, CERTIFY THAT
Robert S. Blain personally known to me to be the _____ President of the
 Corporation, and William C. Schendt personally known
 to me to be the _____ Secretary of said corporation, and personally known to me to be the same persons whose names
 are subscribed to the foregoing instrument, appeared before me this day in person, and severally acknowledged that as such
 President and _____ Secretary, they signed, sealed and delivered the instrument and caused the corporate seal
 of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as
 their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set
 forth.

Given under my hand and notarial seal, this 10th day of March, 2000.

My commission ~~expires on~~ is permanent 10. John R. Steil Notary Public

IMPRESS SEAL HERE



NAME and ADDRESS OF PREPARER:

Attorney John R. Steil
Brennan, Steil, Basting & MacDougall, S.C.
P.O. Box 1148
Janesville, WI 53547-1148

~~EXEMPT UNDER PROVISIONS OF PARAGRAPH
SECTION 4,~~

~~REAL ESTATE TRANSFER ACT
DATE: _____~~

Signature of Buyer, Seller or Representative

** This conveyance must contain the name and address of the Grantee for tax billing purposes: (55 ILCS 5/3-5020) and name and address of the person preparing the instrument: (55 ILCS 5/3-5022).

WARRANTY DEED
ILLINOIS STATUTORY
CORPORATION TO CORPORATION

TO
FROM

LEGAL DESCRIPTION

Lot 2 of Farm and Fleet Resubdivision, a Resubdivision of Lot 1, Farm and Fleet Subdivision, in the Northwest $\frac{1}{4}$ of Section 3, Township 37 North, Range 8 East of the Third Principal Meridian, according to the plat thereof recorded February 23, 2000 as Document No. 0001990 in the Village of Montgomery, Kendall County, Illinois.