FY 2013
ANNUAL TAX INCREMENT FINANCE REPORT

STATE OF ILLINOIS
COMPTROLLER
JUDY BAAR TOPINKA

Name of Municipality:	Village of Tinley Park	Reporting Fiscal Year:	**2013**
County:	Cook	Fiscal Year End:	April / 30 /2013
Unit Code:	016/575/32		

TIF Administrator Contact Information

First Name:	Brad	Last Name:	Bettenhausen
Address:	16250 Oak Park Avenue	Title:	Treasurer
Telephone:	708-444-5000	City:	Tinley Park Zip: 60477
Mobile	N/A	E-mail	bbettenhausen@tinleypark.org
Mobile Provider	N/A	Best way to contact	__X__ Email ______Mobile __X__Phone __X__Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of

is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Written signature of TIF Administator

18 Dec 2013
Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTICT

Name of Redevelopment Project Area	Date Designated	Date Terminated
Main Street South TIF District (#3)	4/1/2003	**12/31/2027**

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2013

Name of Redevelopment Project Area:	Main Street South (#3)
Primary Use of Redevelopment Project Area*:	Combination/Mixed
If "Combination/Mixed" List Component Types:	Res./Comm./Retail
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): **Tax Increment Allocation Redevelopment Act __x___ Industrial Jobs Recovery Law _____**	

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] **If yes, please enclose the amendment labeled Attachment A**	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6 22 (d) (3)] **Please enclose the CEO Certification labeled Attachment B**		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] **Please enclose the Legal Counsel Opinion labeled Attachment C**		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] **If yes, please enclose the Activities Statement labeled Attachment D**		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] **If yes, please enclose the Agreement(s) labeled Attachment E**		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] **If yes, please enclose the Additional Information labeled Attachment F**	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] **If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G**	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] **If yes, please enclose the Joint Review Board Report labeled Attachment H**		X
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] **If yes, please enclose the Official Statement labeled Attachment I**		X
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] **If yes, please enclose the Analysis labeled Attachment J**		X
Cumulatively, have deposits equal or greater than $100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) **If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K**		X
Cumulatively, have deposits of incremental revenue equal to or greater than $100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] **If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L**		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] **If yes, please enclose list only of the intergovernmental agreements labeled Attachment M**		X

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
Provide an analysis of the special tax allocation fund.

FY 2013
TIF NAME: Main Street South TIF District (#3)

Fund Balance at Beginning of Reporting Period	$ 2,426,179

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	$ 221,262	$ 5,316,789	96%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	$ 16,470	$ 232,907	4%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source ____________; if multiple other sources, attach schedule)			0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period	$ 237,732		
Cumulative Total Revenues/Cash Receipts		$ 5,549,696	100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	$ 25,202		
Distribution of Surplus			
Total Expenditures/Disbursements	$ 25,202		
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	$ 212,530		
FUND BALANCE, END OF REPORTING PERIOD*	$ 2,638,709		

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Total Amount Designated (Carried forward from Section 3.3)	$ (62,146,611)

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY 2013

TIF NAME: Main Street South TIF District (#3)

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Audit	2,035	
TIF Consultant	11,402	
Legal	1,794	
		$ 15,231
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
		$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		$ -

SECTION 3.2 A		
PAGE 2		
7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
Wells Fargo 2010 Bond	9,971	
		$ 9,971
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		$ -

SECTION 3.2 A		
PAGE 3		
14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -

TOTAL ITEMIZED EXPENDITURES		$ 25,202

Section 3.2 B

FY 2013

TIF NAME: Main Street South TIF District (#3)

List all vendors, including other municipal funds, that were paid in excess of $10,000 during the current reporting year.

_______ There were no vendors, including other municipal funds, paid in excess of $10,000 during the current reporting period.

Name	Service	Amount
Ehlers & Associates	Consulting	$ 11,402.00

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2013

TIF NAME: Main Street South TIF District (#3)

FUND BALANCE, END OF REPORTING PERIOD	$ 2,638,709

1. Description of Debt Obligations

	Amount of Original Issuance	Amount Designated
General Obligation bonds, Series 2010 (part)	$ 152,000	$ -
General Obligation Bonds, Series 2013 (MSS Portion)	$ 121,792	$ 185,320
Total Amount Designated for Obligations	$ 273,792	$ 185,320

2. Description of Project Costs to be Paid

Land Acquisition		$ 1,350,000
Public Improvements		$ 48,250,000
Development Assistance		$ 15,000,000
Total Amount Designated for Project Costs		$ 64,600,000

TOTAL AMOUNT DESIGNATED	$ 64,785,320
SURPLUS*/(DEFICIT)	$ (62,146,611)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2013

TIF NAME: Main Street South TIF District (#3)

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

__X___ No property was acquired by the Municipality Within the Redevelopment Project Area

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)
PAGE 1

FY 2013

TIF NAME: Main Street South TIF District (#3)

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area:	______
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.	7

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	$ 8,413,000	$ -	$ 40,413,000
Public Investment Undertaken	$ 5,041,553	$ -	$ 43,591,641
Ratio of Private/Public Investment	1 2/3		89/96

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE Bettenhausen Motor Sales Expansion			
Private Investment Undertaken (See Instructions)	$ 2,000,000		$ 2,000,000
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 2: Lakeview Townhomes (6 units)			
Private Investment Undertaken (See Instructions)	$ 1,213,000		$ 1,213,000
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3: Boston Blackies Restaurant			
Private Investment Undertaken (See Instructions)	$ 900,000		$ 900,000
Public Investment Undertaken	$ 115,641		$ 115,641
Ratio of Private/Public Investment	7 18/23		7 18/23

Project 4: Tinley Park Place mixed-use development			
Private Investment Undertaken (See Instructions)	$ 1,500,000		$ 1,500,000
Public Investment Undertaken	$ 300,000		$ 300,000
Ratio of Private/Public Investment	5		5

Project 5: Former School Site Redevelopment			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	$ 1,350,000		$ 1,350,000
Ratio of Private/Public Investment	0		0

Project 6: The Boulevard at Central Station			
Private Investment Undertaken (See Instructions)	$ 2,800,000		$ 34,800,000
Public Investment Undertaken	$ 1,050,000		$ 6,826,000
Ratio of Private/Public Investment	2 2/3		5 5/51

Project 7: Public Parking Structure and Community Park			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	$ 2,225,912		$ 35,000,000
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. *even though optional MUST be included as part of complete TIF report

SECTION 6

FY 2013

TIF NAME: Main Street South TIF District (#3)

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
2003	$ 11,215,743	$ 16,418,663

List all overlapping tax districts in the redevelopment project area.
If overlapping taxing district received a surplus, list the surplus.

___X__ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
Information not gathered			$ -
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

Oak Park Avenue from 172nd Street to 178th Street North and South Streets, 68th Ct. & 69th Ave. south of 173rd Pl., 173rd Street, 66th Ave. and 67th Ct. south of 172nd St. ~71.7 acres

Optional Documents	Enclosed	
Legal description of redevelopment project area	Previously Provided	
Map of District	Previously Provided	

Attachment B

Certification of Chief Executive Officer

Tinley Park
ILLINOIS

Village Hall
16250 S. Oak Park Ave.
Tinley Park, IL 60477

Administration
(708) 444-5000
Fax: (708) 444-5099

Building & Planning
(708) 444-5100
Fax: (708) 444-5199

Public Works
(708) 444-5500

Police Department
7850 W. 183rd St.
Tinley Park, IL 60477
(708) 444-5300/Non-emergency
Fax: (708) 444-5399

John T. Dunn
Public Safety Building
17355 S. 68th Court
Tinley Park, IL 60477

Fire Department & Prevention
(708) 444-5200/Non-emergency
Fax: (708) 444-5299

EMA
(708) 444-5600
Fax: (708) 444-5699

Senior Community Center
(708) 444-5150

www.tinleypark.org

Attachment B

Certification of the Chief Executive Officer
Village of Tinley Park, Cook and Will Counties, Illinois

I, the undersigned, the duly qualified and acting presiding officer of the Village of Tinley Park, Cook and Will Counties, Illinois, do hereby certify that said Village has complied with all of the requirements of the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-1 et. seq.], during the fiscal year ended April 30, 2012

IN WITNESS WHEREOF, I have placed my official signature this __17th___ day of ___December___, 2013

Edward J. Zabrocki

Village President and
Chief Executive Officer of the Village of Tinley Park

Attachment C

Opinion of legal counsel

ATTACHMENT C

KTJ

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December 18, 2013

State Comptroller
All Overlapping Taxing Districts
Joint Review Board
Main Street South TIF Project
c/o Village Hall
Village of Tinley Park
16250 South Oak Park Avenue
Tinley Park, Illinois 60477

Re: Main Street South TIF Project Statutory Status Report

Dear Addressees:

Please be advised that the undersigned, as attorney for the Village of Tinley Park, Cook and Will Counties, Illinois, hereby certifies that upon my review of all relevant redevelopment project documents and information provided by the Village, the Village of Tinley Park is in compliance with the Tax Increment Redevelopment Allocation Act (65 ILCS 11-74.4-1, *et seq.*) with respect to the above-referenced Project.

Very truly yours,

KLEIN, THORPE AND JENKINS, LTD.

Terrence M. Barnicle

Terrence M. Barnicle

TMB/an
cc: Brad Bettenhausen,
Village Treasurer

320263_1

Attachment D

Description of Activities Undertaken

Attachment D

Main Street South TIF District
Village of Tinley Park, Cook and Will Counties, Illinois
Statement of Activities
Fiscal year ended April 30, 2013

In accordance with 65 ILCS 5/11-74.4-5(d)(7)(A&B) and 5/11-74.6-22(d)(7)(A&B), the following statement of activities is provided:

This TIF District was established by ordinance on 1 April 2003. Due to the necessity to tax divide a parcel containing railroad right of way, the Cook County Clerk was unable to certify the base year Equalized Assessed Value (EAV) until calendar 2004. The base year EAV was certified on 7 December 2004 at $11,215,743 utilizing the EAV of the 2001 tax year. Tax increment has begun to be allocated to the Redevelopment Fund with the 2003 tax year (taxes payable in 2004). The life of the Redevelopment District has automatically been extended for one year due to the delay in Certification. The boundaries of the TIF district were expanded in 2006 to include additional properties. The base year for these expansion parcels was frozen at their 2005 EAV values and added approximately $2.3 million to the TIF base value.

Through the fiscal year ended April 30, 2013, the following projects have been undertaken, in process, or completed:

Project 1 Bettenhausen Motor Sales expansion (completed 2004)

A local automobile dealership significantly remodeled and expanded its automotive showroom, service garage, and offices.

No property tax increment funds are associated with this redevelopment project.

Project 2 Lakeview Townhomes Lakeview Townhomes (completed 2007)

A development of 16 single family attached townhomes was constructed at 178th Street and Oak Park Avenue. The site overlooks a wet detention pond completed by the Village in 2006. This detention facility removed approximately 550 adjacent properties from designated flood plain with the Federal Emergency Management Agency Letter of Map Revision in 2007. A portion of this development (6 units) is located in the Main Street South TIF, with the remainder located in the adjacent Oak Park Avenue TIF.

No public financial assistance was required in conjunction with this development.

Project 3 Boston Blackies's restaurant

A restaurateur acquired a building of local historical and architectural significance with the intent of renovating the structure for another restaurant in their chain. The building had been constructed in 1886 for Henry Vogt, Sr. for his general merchandise business originally known as the Bremen Cash Store. It was the first commercial structure in the community built of brick, and it also was one of the first buildings in the south suburban area to incorporate an elevator (used for moving merchandise from storage areas in the basement and upper floor). Henry Vogt was the first mayor for the Village of Tinley Park and he and his family were significant civic leaders in the community for over a century. In order to support their intended use, they owners found that they needed to make significant structural improvements, and also proposed a historically compatible addition to provide necessary kitchen and refrigeration spaces. After inadvertently creating issues that compromised the structural integrity of the historic building, the owners elected to demolish the structure with the intent to recreate the building's appearances with a new structure.

The Village had approved financial assistance in an amount not to exceed $550,000 toward the revised project.

During 2009, the lender acquired title to the property under foreclosure and the restaurateur filed for bankruptcy protection. In light of these developments, the proposed redevelopment will not occur.

Project 4 Tinley Park Place mixed-use development

Developers have proposed redevelopment of an entire block at the core of the Village's Historic District. Considered a transit-oriented development, the project includes approximately 40,000 square feet of ground floor retail, an additional 20,000 square feet in second floor office/retail space, an 11 screen movie theater complex, and 115 condominium units. The development is in close proximity to the Village's Oak Park Avenue Metra commuter rail depot providing daily rail service between Chicago and Joliet. Access to Interstates 80 and 57 are nearby. The developers have requested financial assistance with the project for a variety of TIF qualified costs associated with the development in the amount of approximately $12,000,000. The Village is also committed to other public improvements in the vicinity including construction of a public parking facility which will serve both commuter and local business needs. The Village has proceeded with planning for the parking structure and other public improvements. The developers began to market pre-construction contracts on the residential units while seeking financing to begin construction. Their efforts have been hampered by the downturn in the housing market compounded by the fall-out in the mortgage loan industry and other economic forces. A residential parcel owned by the Village was demolished, but no redevelopment activity has occurred with the site to-date and the future of the project would appear questionable.

Project 5 Former School Site

In May 2003, the Village of Tinley Park entered into an agreement with Community Consolidated School District 146 to acquire the site of the former Central Middle School consisting of approximately 3 acres. A new Central Middle School was completed in the Fall of 2001 near the northwest corner of 183rd Street and Oak Park Avenue, partially within the Tinley Park Oak Park Avenue TIF District (#1). The old school was subsequently demolished, and the site cleared of all appurtenances except the foundations. Under the terms of the agreement, the Village owed the School District $350,000 at closing, which occurred in December 2003, with an additional $1,000,000 payment guaranteed by the end of five years. The site is anticipated to be used for temporary commuter and public parking during construction of a parking facility along North Street and adjacent to the commuter rail depot. It is expected that this site will later be sold for residential development most likely consisting of row houses or townhomes.

Project 6 The Boulevard at Central Station
South Street mixed-use development

A redevelopment project proposed for the majority of the block immediately south of the Oak Park Avenue commuter rail depot on South Street has gone through several evolutions since its first proposal.

The initial project was referenced by the concept name of Market Square due to its location abutting the "Markt Platz" of the original plat for the Village of Bremen dating to 1853. Traditional German towns centered around a central market place (Markt Platz) which was incorporated into the original plan for the Village of Bremen presumably due to the large number of individuals of German ancestry emigrating to and settling in this area at that time. The project was proposed to include two mixed use buildings containing a total of 69 residential condominiums built over first floor commercial space. The commercial space was tentatively 32,700 square feet providing for approximately 23 tenant units. This plan was in keeping with the concepts for Transit Oriented Development which would place higher density housing closer to the transit hub (the commuter rail station).

The developer subsequently revised his development plan to a lower density project consisting of 31 townhomes and approximately 24,000 square foot of first floor retail along South Street after the developer was concerned about the marketing and sale of the residential units. This project was referred to as The Promenade in reference to the open common area created above the commercial spaces providing access to the townhome units. The townhome units were originally proposed to have two car garage units and individual elevator access to the three story townhome units. In 2007, the Village formally approved $2.2 million in financial assistance as reimbursements for TIF qualified costs. A tentative increase the financial assistance to $2.7 million based on certain development enhancements requested by the Village was discussed but was not formally approved by the Village Board. During this time, the Village acquired additional property that is necessary for the overall project and the development site has been cleared of all of the previously existing buildings and structures. However, due to economic forces and other issues, this development plan was also abandoned. A portion of the property continues to be used as a commuter parking lot in the interim.

In light of the economic recession, in 2010, the developer again retooled his development plan. The development project referenced as The Boulevard at Central Station consists of 167 one and two bedroom apartments and approximately 11,500 square foot of commercial space. At the time of the developer's proposal, financing appeared to be more easily obtainable for residential rental development than for other types of residential projects (townhome or condominium). It is intended that the development would be converted to no more than 151 condominium units in the future, with the one bedroom units largely being absorbed into adjacent units to provide larger condominium units when ultimately sold as condominiums.

The project is estimated to cost $34.8 million. The Village approved a development agreement in July 2012 including financial assistance. The Village will grant a Cook County Class 8 property tax incentive for the property. The Village will reimburse the developer up to a maximum of $3,776,000 in qualified TIF redevelopment costs. Additionally, the Village will reimburse up to $2,000,000 in public improvements. Finally, the Village will share 50% of sales taxes generated by the new commercial establishments locating in the development for a period of ten years. Businesses relocating to the development from other Tinley Park locations will be discounted for the sales tax incentive calculation based on their prior sales tax activity. As of the end of the fiscal year, the developers were still seeking the necessary bank financing for the project. No other development activity has occurred at this time.

Project 7 Public Parking Facility and Community Park

The Village has architectural designs completed for a public parking facility adjacent to the Oak Park Avenue Metra commuter rail depot that would provide additional parking required to support the proposed Tinley Park Place (project 4) and other existing and proposed developments in the area of the Oak Park Avenue depot. This parking facility would replace the existing surface parking lots north of the railroad tracks that are used primarily for commuter parking and provide additional parking to support adjacent commercial developments. In conjunction with this facility, a portion of the parking would be below grade with an urban style community park developed at surface level. This park is expected to have a performance stage and a central fountain/water feature that would also serve as an ice skating rink in the winter months. Funding to support this development beyond the design phase has not currently been determined.

Based on several projects being proposed, the Village of Tinley Park contracted traffic studies to determine the adequacy of the existing roadways within the development area with specific consideration of the proposed developments. Village staff and consultants have compiled a list of public and private infrastructure and other improvements that will either be necessary or desirable as part of redevelopment within the District and work continues on refining the cost estimates for these projects. Additionally, the Village staff and consultants have been developing and refining analysis of projected incremental revenues, and related developmental costs associated with the redevelopment projects that are being proposed by developers and under discussion.

Attachment E

Redevelopment agreements

STATE OF ILLINOIS)
COUNTY OF C O O K) SS
COUNTY OF W I L L)

CLERK'S CERTIFICATE

I, PATRICK REA, the duly elected and qualified Village Clerk of the Village of Tinley Park, Cook and Will Counties, Illinois, do hereby certify that attached hereto is a true and correct copy of the Resolution now on file in my office, entitled:

RESOLUTION NO. 2012-R-034

RESOLUTION AUTHORIZING THE EXECUTION OF DEVELOPMENT AGREEMENT – THE BOULEVARD AT CENTRAL STATION

which was passed by the Board of Trustees of the Village of Tinley Park at a regular meeting held on the 17th day of July, 2012, at which meeting a quorum was present, and approved by the President of the Village of Tinley Park on the 17th day of July, 2012.

I further certify that the vote on the question of the passage of the said Resolution by the Board of Trustees of the Village of Tinley Park was taken by the Ayes and Nays and recorded in the Journal of Proceedings of the Board of Trustees of the Village of Tinley Park, and that the result of said vote was as follows, to-wit:

AYES: **Seaman, Hannon, Maher, Staunton, Leoni, Grady**

NAYS: **None**

ABSENT: **None**

I do further certify that the original Resolution, of which the attached is a true copy, is entrusted to my care for safekeeping, and that I am the lawful keeper of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Village of Tinley Park, this 17th day of July, 2012.

Village Clerk

RESOLUTION NO. 2012-R-034

RESOLUTION AUTHORIZING THE EXECUTION OF DEVELOPMENT AGREEMENT – THE BOULEVARD AT CENTRAL STATION

WHEREAS, the Corporate Authorities of the Village of Tinley Park, Cook and Will Counties, Illinois, have considered an incentive agreement for the development of certain property presently within the corporate limits of the Village of Tinley Park and the Main Street South TIF District of the Village, a true and correct copy of such Development Agreement (the "Development Agreement") being attached hereto and made a part hereof as **EXHIBIT 1**; and

WHEREAS, the Corporate Authorities of the Village of Tinley Park, Cook and Will Counties, Illinois, have determined that it is in the best interests of said Village of Tinley Park that said Development Agreement be entered into by the Village of Tinley Park, and but for the provision of the incentives therein the property would not be developed as provided herein.

NOW, THEREFORE, Be It Resolved by the President and Board of Trustees of the Village of Tinley Park, Cook and Will Counties, Illinois, as follows:

Section 1: The Preambles hereto are hereby made a part of and operative provisions of this Resolution as fully as if completely repeated at length herein.

Section 2: That this President and Board of Trustees of the Village of Tinley Park hereby find that it is in the best interests of the Village of Tinley Park and its residents that the aforesaid Development Agreement entitled "Development Agreement – the Boulevard at Central Station" be entered into and executed by said Village of Tinley Park, with said Development Agreement to be substantially in the form attached hereto and made a part hereof as **EXHIBIT 1.**

Section 3: That the President and Clerk of the Village of Tinley Park, Cook and Will Counties, Illinois are hereby authorized to execute for and on behalf of said Village of Tinley Park the aforesaid Development Agreement.

Section 4: That this Resolution shall take effect from and after its adoption and approval.

ADOPTED this 17th day of July, 2012 by the Corporate Authorities of the Village of Tinley Park on a roll call vote as follows:

AYES: Seaman, Hannon, Maher, Staunton, Leoni, Grady

NAYS: None

ABSENT: None

APPROVED this 17th day of July, 2012, by the President of the Village of Tinley Park.

Village President

ATTEST:

Village Clerk

DEVELOPMENT AGREEMENT-THE BOULEVARD AT CENTRAL STATION

This Development Agreement (this "Agreement") is made and entered into as of the 17 day of July, 2012 ("Agreement Date") by and between the Village of Tinley Park, Illinois, an Illinois municipal home rule corporation (the "Village"), and South Street Development, LLC, an Illinois limited liability company, (the "Developer"), with its principal office at 6665 South Street, Tinley Park, Illinois 60477. (The Village and the Developer are sometimes referred to individually as a "Party" and collectively as the "Parties.")

RECITALS

The following Recitals are incorporated herein and made a part hereof.

A. The Village has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety and welfare of the Village and its inhabitants, to prevent the presence of blight, to encourage private development in order to enhance the local tax base, to increase additional tax revenues realized by the Village, foster increased economic activity within the Village, to increase employment opportunities within the Village, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes, and otherwise take action in the best interests of the Village.

B. The Village is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act"), to finance redevelopment in accordance with the conditions and requirements set forth in the Act.

C. This Agreement relates to the proposed redevelopment of approximately 3.09 acres, the several parcels of which are depicted on and legally described on **Exhibit 1** attached hereto and made a part hereof (the "Property").

D. The Village authorized the preparation of a report, entitled "Tinley Park Main Street South Redevelopment Plan and Project", prepared by Ehlers & Associates, Inc., and dated December, 2002 (the "Redevelopment Plan") concerning the redevelopment of the South Oak Park Avenue Redevelopment Plan and Project Area, including but not limited to the Property (the "TIF District").

E. In accordance with the Act, the Village conducted a public hearing with respect to the Redevelopment Plan and the redevelopment of the TIF District at a meeting of the President and Board of Trustees (the "Corporate Authorities") held on March 18, 2003.

F. As part of the study of the redevelopment of the TIF District, the Village found that the improvements in the Property suffer from the following factors: age, obsolescence, depreciation of physical maintenance, deterioration, inadequate utilities, excessive vacancies, deleterious land use or layout, excessive land coverage and lack of community planning.

G. To stimulate and induce redevelopment in the TIF District pursuant to the Act, the Village has adopted the following ordinances, after giving all notices required and after conducting the public hearings required by law (the "Enabling Ordinances"):

1. Ordinance Number 2002-0-079 adopted November 5, 2002 as amended by Ordinance Number 2002-0-087, adopted December 3, 2002, and further amended by Ordinance Number 2002-0-092 adopted December 17, 2002.

2. Ordinance Number 2003-0-025 adopted April 1, 2003, adopting tax increment financing for the Village of Tinley Park (Main Street South TIF District).

3. Ordinance Number 2003-0-026 adopted April 1, 2003, designating the Village of Tinley Park Main Street South Tax Increment Redevelopment Project Area.

4. Ordinance Number 2003-O-027 adopted April 1, 2003, approving the Village of Tinley Park Main Street South Tax Increment Redevelopment Project Area Redevelopment Plan and Project.

5. Ordinance Number 2003-0-036, adopted April 15, 2003, amending Ordinances 2002-0-092, 2003-0-097, 2003-0-025, 2003-0-027, in regard to the Village of Tinley Park Main Street South TIF District, to correct a scriveners' error.

6. Ordinance Number 2006-O-009 adopted February 7, 2006, authorizing a study of the feasibility of establishing an expanded Redevelopment Project Area for the Main Street South T.I.F. District.

7. Ordinance Number 2006-O-011 adopted March 7, 2006, deleting certain property from the Redevelopment Project Area for the Main Street South T.I.F. District.

8. Ordinance Number 2007-O-002 adopted January 2, 2007, calling for a Public Hearing and a Joint Review Board Meeting to consider the expansion of the Redevelopment Project Area for the Main Street South Tax Increment Financing District and an Amended Redevelopment Plan and Project for the Main Street South Tax Increment Financing District in relation thereto.

9. Ordinance Number 2007-O-014 adopted March 27, 2007, designating the Village of Tinley Park Main Street South Tax Increment Financing District Expanded Redevelopment Project Area.

10. Ordinance Number 2007-O-015 adopted March 27, 2007, approving the Village of Tinley Park Main Street South Tax Increment Financing District Expanded Redevelopment Project Area Amended Redevelopment Plan and Project.

11. Ordinance Number 2007-O-016 adopted March 27, 2007, adopting Tax Increment Financing for the Village of Tinley Park Expanded Main Street South Tax Increment Financing District.

12. Ordinance Number 2007-O-036 adopted May 15, 2007, deleting certain property from the Redevelopment Project Area for the Expanded Main Street South TIF District.

H. The Developer desires to redevelop all of the Property (see Recital C and **Exhibit 1**), which Property is located in the Main Street South TIF District.

I. Developer seeks Village approval for development of the Property.

J. Developer intends to develop the Property which is located in the Downtown Core Zoning District as set forth and created by adoption of the 2011 Legacy Code. The Project is intended to contain the following permitted building functionality: mixed use with street level commercial and residential uses above the first floor. The Project also contains a private alley and a public parking lot.

K. It is necessary for the successful completion of the Project (as defined in Article Two below) that the Village enter into this Agreement with Developer to provide for the redevelopment of the Property, thereby implementing the Redevelopment Plan.

L. Developer has been and continues to be unable and unwilling to undertake the redevelopment of the Property but for certain tax increment financing ("TIF") incentives to be provided by the Village and other municipal incentives in accordance with the Act and the home rule powers of the Village, which the Village is willing to provide under the terms and conditions contained herein. The parties acknowledge and agree that but for the TIF incentives and other municipal incentives, to be provided by the Village, Developer cannot successfully and economically develop the Property in a manner satisfactory to the Village. The Village has determined that it is desirable and in the Village's best interests to assist Developer in the manner set forth herein and as this Agreement may be supplemented and amended.

M. The Village, in order to stimulate and induce development of the Property, has agreed to finance certain Redevelopment Project Costs (as defined in Article Two below) through Incremental Property Taxes (as defined in Article Two below), all in accordance with the terms and provisions of the Act and this Agreement.

N. This Agreement has been submitted to the Corporate Authorities of the Village for consideration and review, the Corporate Authorities have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the Village according to the terms hereof, and any and all actions of the Corporate Authorities of the Village precedent to the execution of this Agreement have been undertaken and performed in the manner required by law.

O. This Agreement has been submitted to the Members of the Developer for consideration and review, the Members have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the Developer according to the terms hereof, and any and all action of the Developer's Members precedent to the execution of this Agreement have been undertaken and performed in the manner required by law.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

ARTICLE ONE
INCORPORATION OF RECITALS

The findings, representations and agreements set forth in the above Recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though fully set out in this Article One, and constitute findings, representations and agreements of the Village and of the Developer according to the tenor and import of the statements in such Recitals.

ARTICLE TWO
DEFINITIONS

For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Agreement shall have the meanings provided from place to place herein, including above in the recitals hereto and as follows:

"Act" means the Tax Increment Allocation Redevelopment Act found at 65 ILCS 5-11-74.4-1, et seq., as supplemented by the Local Government Debt Reform Act, as amended, and the home rule powers of the Village.

"Agreement" means this "Development Agreement-The Boulevard at Central Station".

"Change in Law" means the occurrence, after the Agreement Date, of an event described in Section (a) below, provided (x) such event materially changes the costs or ability of the Party relying thereon to carry out its obligations under this Agreement and (xx) such event is not caused by the Party relying thereon:

(a) Change in Law means any of the following: (i) the enactment, adoption, promulgation or modification of any federal, state or local law, ordinance, code, rule or regulation (other than by the Village or with respect to those made by the Village, only if they violate the terms of this Agreement); (ii) the order or judgment of any federal or state court, administrative agency or other governmental body (other than the Village); or (iii) the adoption, promulgation, modification or interpretation in writing of a written guideline or policy statement by a governmental agency (other than the Village, or, with respect to those made by the Village, only if they violate the terms of this Agreement). Change in Law, for purposes of this Agreement, shall also include the imposition of any conditions on, or delays in, the issuance or renewal of any governmental license, approval or permit (or the suspension, termination, interruption, revocation, modification, denial or failure of issuance or renewal thereof) necessary for the undertaking of the services to be performed under this Agreement (except any imposition of any conditions on, or delays in, any such issuance or renewal by the Village).

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

"Collector" means the officer or officers of the County of Cook, Illinois, who is or are at the time obligated under applicable law to collect and pay over to the Village the Incremental Property Taxes pursuant to and in accordance with the Act.

"Corporate Authorities" means the President and Board of Trustees of the Village of Tinley Park, Illinois.

"Developer" means South Street Development, LLC, an Illinois limited liability company, or any successor in interest thereof.

"Eligible Improvements" means costs of the Project to be paid or reimbursed by the Village as provided in this Agreement.

"Final Plans" means the detailed plans for the Project (in its entirety including all improvements and not merely the building(s) themselves) as approved by the Village prior to the issuance of any building or other permits for the development, or as amended by the Developer and approved by the Village thereafter.

"Incremental Property Taxes" means that portion of the ad valorem taxes, if any, arising from the taxes levied upon the Property, which taxes are actually collected and which are attributable to the increases in the then current equalized assessed valuation ("EAV") of the taxable lot, block, tract or parcel of all portions of the Property in the TIF District over and above the total Initial EAV of the Property, all as determined by the County Clerk of the County of Cook, Illinois, pursuant to and in accordance with the

Act, the TIF Ordinances and this Agreement, which is attributable to the Property and includes any replacement, substitute or amended taxes.

"Initial EAV" means the calendar year 2011 equalized assessed value of the Property certified by the County Clerk of Cook County.

"Net Incremental Property Taxes" means that portion of the Incremental Property Taxes remaining after those payments required to be made to the applicable public school districts based upon State law and/or any agreements entered into between the Village and said school district or school districts, payments to any other taxing jurisdictions which are required under applicable State law, payments on any applicable debt obligations (i.e., payable from Main Street South TIF District revenues), and after deduction of administrative expenses of the Village.

Note means the Tax Increment Financing Reimbursement Note, attached hereto as **Exhibit 8.**

"Party" means the Village and/or Developer and its successors and/or assigns as permitted herein, as the context requires.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, trust, or government or any agency or political subdivision thereof, or any agency or entity created or existing under the compact clause of the United States Constitution.

"Preliminary Engineering Plans" mean the engineering plans dated February 15, 2012 and prepared by Richard E. Fisher Engineering.

"Project" consists of a mixed use six story building initially including approximately one hundred and twenty three (123) two bedroom residential rental units, forty-four (44) one-bedroom and one-bedroom plus residential rental units, for a total not to exceed 167 residential rental units, and, in addition, retail space of approximately 24,500 rentable square feet, with indoor parking for one hundred and fifty five (155) motor vehicles and outdoor surface parking for approximately fifty-six (56) vehicles, located to the rear of the building.

"Property" means those parcel(s) legally described on **Exhibit 1**, upon which the Project will be implemented and constructed.

"Real Estate Sale Provisions" means those provisions set forth in **Exhibit 11** attached hereto and made a part hereof.

"Redevelopment Plan" means the "Redevelopment Plan" (as identified in Paragraph D of the Recitals) for the TIF District as approved by Village.

"Redevelopment Project Costs" means those qualified redevelopment project costs authorized by the Act and this Agreement.

"Site Plan" means the plan entitled "The Boulevard at Central Station Site Plan", dated as last revised as of March 20, 2012, and prepared by Kuo Diedrich Architects and further identified as Project Number 11020 originally dated June 6, 2011, and named "The Boulevard at Central Station".

"State" means the State of Illinois.

"TIF District" means the Tinley Park Main Street South Tax Increment Redevelopment Project Area of the Village.

"TIF Fund" means the special allocation fund of the Village consisting solely of the Incremental Property Taxes of the Main Street South Tax Increment Redevelopment Project Area.

"TIF Ordinances" means all Ordinances adopted by the Village relating to the establishment or amendment of the Main Street South TIF District as further delineated in the Recitals to this Agreement.

"Uncontrollable Circumstance" means any event which:

(a) is beyond the reasonable control of and without the fault of the Party relying thereon; and

(b) is one or more of the following events:

(i) a Change in Law;
(ii) insurrection, riot, civil disturbance, sabotage, act of the public enemy, explosion, fire, nuclear incident, war or naval blockade;
(iii) epidemic, hurricane, tornado, landslide, earthquake, lightning, fire, windstorm, other extraordinary or ordinary weather conditions or other similar act of God;
(iv) governmental condemnation or taking other than by the Village;
(v) strikes or labor disputes, or work stoppages not initiated by the Developer;
(vi) shortage or unavailability of essential materials, which materially change the ability of the Party relying thereon to carry out its obligations under this Agreement; or
(vii) unknown or unforeseeable geo-technical or environmental conditions;
(viii) major environmental disturbances; or
(ix) vandalism; or
(x) terrorist acts.

Uncontrollable Circumstance shall not include: economic hardship; unavailability of materials (except as described in b(vi) above); or a failure of performance by a contractor (except as caused by events which are Uncontrollable Circumstances as to the contractor).

For each day that the Village or Developer is delayed by an Uncontrollable Circumstance, the dates set forth in this Agreement shall be extended by one (1) day for each day of the resulting delay.

"Village" means the Village of Tinley Park, Illinois, an Illinois home rule municipal corporation.

ARTICLE THREE
CONSTRUCTION

This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

(a) Definitions include both singular and plural.

(b) Pronouns include both singular and plural and cover all genders.

(c) The word "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(d) Headings of Articles and Sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(e) All exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement. In the event of a conflict between any exhibit and the terms of this Agreement, the Agreement shall control.

(f) Any certificate, letter or opinion required to be given pursuant to this Agreement means a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth. Reference herein to supplemental agreements, certificates, demands, requests, approvals, consents, notices and the like means that such shall be in writing whether or not a writing is specifically mentioned in the context of use.

(g) The Village President, unless applicable law requires action by the Corporate Authorities, shall have the power and authority to make or grant or do those things, certificates, requests, demands, notices and other actions required that are ministerial in nature or described in this Agreement for and on behalf of the Village and with the effect of binding the Village as limited by and provided for in this Agreement. Developer and Village are entitled to rely on the full power and authority of the Persons executing this Agreement on behalf of the Developer and Village as having been properly and legally given by the Developer or Village as the case may be.

(h) In connection with the foregoing and other actions to be taken under this Agreement, and unless applicable documents require action by Developer in a different manner, Developer hereby designates Robert Hansen, a Manager of the Developer, as its authorized representative who shall individually have the power and authority to make or grant or do all things, supplemental agreements, certificates, requests, demands, approvals, consents, notices and other actions required or described in this Agreement for and on behalf of Developer and with the effect of binding Developer in that connection (such individual being an "Authorized Developer Representative"). Developer shall have the right to change its authorized Developer Representative by providing the Village with written notice of such change which notice shall be sent in accordance with Section 18.3.

ARTICLE FOUR
DEVELOPMENT PLAN

The Developer has proposed and the Village has agreed that all development proceed in one coordinated phase.

ARTICLE FIVE
DESIGNATION OF DEVELOPER

Except as otherwise provided in Sections 18.14 and 18.20 below, the Village hereby designates Developer as the exclusive developer for the Project on the Property, subject to the terms of this Agreement and only so long as Developer is not in default in relation to this Agreement after the expiration of all applicable cure periods. The Village hereby represents to Developer that the Village has, to the best of its knowledge, taken in good faith, all necessary actions and has complied with all requirements imposed by law including, but not limited to, the requirements of Section 5/11-74.4-4 (c) of the Act, required to be taken and met prior to the designation of Developer as the exclusive developer for the Project on the Property.

ARTICLE SIX
DEVELOPMENT OF THE PROPERTY

6.1 **Zoning.** The Subject Property has been rezoned to the Downtown Core Zoning District and has been granted a residential parking variation. Concurrently with the approval of this Agreement, and following the satisfaction of the conditions precedent set forth in Section 7.3, the Developer shall promptly proceed to complete all final engineering and other plans (the "Final Plans") for approval by the Village of the Project , with said Final Plans to be in substantial conformity with the Exhibits identified in Section 6.3 below.

6.2 **Development.** Within three (3) months after satisfaction of the condition precedent as set forth in Section 7.3 Developer agrees to apply for all necessary permits and approvals, including land use and construction approvals, from all governmental agencies having applicable jurisdiction as may be required to actually commence construction of the Project . Upon receipt of all required approvals, including approval of the Final Plans, and permits for the Project from the Village and any other federal, state, regional or county agencies having applicable jurisdiction, the Developer shall commence construction of the Project within three (3) months, weather permitting. If the Project has not been commenced within twelve (12) months after the last approval or permit is received, all such permits, approvals, variances and waivers for the Property and Project shall be immediately revoked and of no further force and effect (subject to the notice and cure provisions in this Agreement). Developer shall have the right to apply for a three (3) month extension of the time in which Developer shall have to commence construction pursuant to this Agreement or any permits issued by the Village if market conditions render commencement of such construction economically infeasible. The Village shall not unreasonably withhold approval of such an extension.

6.3 **Site Plan.** The Property shall be developed by Developer in strict conformity with the Site Plan (as defined and identified in Article Two above) attached hereto and hereby made a part hereof as **Exhibit 2** and also in strict conformity with the approved (by the Village) Final Plans. In addition, the exterior of the building, including exterior building materials, shall be constructed by Developer in strict conformity with the exterior architecture and Building Elevations which are attached hereto and hereby made a part hereof as **Exhibit 3**. Landscaping for the Property shall be provided by Developer in strict conformity with the Landscape Plan attached hereto and hereby made a part hereof as **Exhibit 4**. Lighting for the Project shall be provided by Developer in strict conformity with the Lighting Plan attached hereto and hereby made a part hereof as **Exhibit 5**. All parking for the Project shall be provided both on-site and off-site by both the Developer and Village, as applicable, in strict conformity with and as specifically delineated in the Parking Plan attached hereto and hereby made a part hereof as **Exhibit 6**. A minimum of 211 new parking spaces will be provided. It is understood that the Project must not only be constructed in full conformity with the Site Plan, the Final Plans and also the aforesaid **Exhibits 3 through 6**, but also all applicable codes, ordinances and regulations of the Village (except as to zoning and building code provisions that the Village has granted variations and waivers from) and the Ordinance granting all approvals as required by the 2011 Legacy Code and other ordinances of the Village.

6.4 Model and Rental Center. Developer shall maintain model units and a rental office on the Property. Developer shall cease the designation of any residential units as model units no later than such point in time when there are no residential units left for lease/sale.

6.5 Public Improvements. Plans for all general site improvements, including but not limited to streets, parking, street and parking lot lighting, architecture, sign requirements, streetscape and street furniture, stormwater facilities, alleys and driveways, parking facilities, landscaping in accordance with approved landscape plans, together with all general engineering plans for the entire Project, must be submitted to and shall be subject to the approval of the Village. The Building and Property shall be protected from fire by an automatic sprinkler system, which sprinkler system, including number of sprinkler heads, location of sprinkler heads and type of sprinkler system, must be approved by the Village. All site and building improvements must be in accordance with the applicable codes and ordinances of the Village as they exist from time to time during the course of construction of the Project except as to zoning and building code provisions that the Village has granted variations from.

6.6 Permitted Uses.

Permitted uses shall be all of the functionalities and permitted building types as set forth in Table 2,A,1 of the Downtown Core Zoning District all as set forth in the Final Plans and the Site Plan.

The Developer and the Village agree that it, and any successor operator of the commercial component of the Project shall always maintain a mix of uses so that the entire Project complies with the parking standards set forth in Table 2,A,1 of the Downtown Core Zoning District.

Developer shall have the right to operate its own sales center within a space in the Project for the purpose of marketing and selling or leasing space in the Project. Also, Developer further agrees that the Project shall not include any group assembly uses (as defined and identified in the Village's Zoning Ordinance).

Moreover, any tax exempt organization, public utility or governmental service use shall be required to meet all standards for a special use as set forth in the Tinley Park Zoning Ordinance.

6.7 Prohibited Uses. The Developer agrees to not lease to or otherwise sell or allow to operate on the Property or in the Project any use specifically prohibited, (or any similar or comparable use to any specific prohibited use), by the Legacy Code of 2011 as incorporated in the Tinley Park Zoning Ordinance, and specifically as provided for in Section 3.A and Table 3.A.2 of the Legacy Code. Further, said prohibition of said uses shall be a covenant running with the land and binding on all future owners, tenants and assignees of any kind.

6.8 **Residential Apartment/Condominium Units.** The Developer is entitled to construct a maximum of 167 residential units, consisting of 123 two-bedroom units and 44 one-bedroom and one-bedroom plus units. It was the original intent of the Developer to market the residential units as residential condominium units, not apartments for rent, but it is understood and agreed that at this time there is not an adequate market for condominiums, nor is there an adequate market for construction financing for condominium buildings. Accordingly, Developer intends to and may construct and market the residential units as apartments for rent. Developer shall retain the right to convert the residential apartment units into condominium units at any time during the term of this Agreement, but it is the intention of the Developer not to do so for at least seven (7) years from the date of completion of construction of the building and then only if market conditions so allow and a study so indicates. Further, in the event that such condominium conversion has not occurred within seven (7) years of the date of completion of construction of the Project, upon notice from the Village to the Developer a study shall be commissioned to determine whether, at that time, there is an adequate market for sales of condominium units in or within the vicinity of the Village, the cost of such study to be borne in equal shares by the Village and the Developer. Such study shall be conducted by a recognized expert consultant in the field of residential market analysis. Such consultant shall be mutually agreed to by the Developer and the Village, but in the event of lack of agreement, the Village shall select such consultant. If such market study shows that there is a sufficient market for the sale of condominium units in or within the vicinity of the Village and such would be economically viable, then the Developer shall proceed with the conversion of the residential apartment units to condominiums in accordance with all applicable provisions of the law. It is understood that upon any such condominium conversion the Developer would be required to pay off its existing loan on the Project and that there would be a substantial prepayment penalty and charges. In determining the economic viability of any such conversion such study shall take into consideration any such prepayment penalty and other costs. In the event that such study shows that the then current market conditions are inadequate to justify a conversion of the apartment units into condominiums, no such conversion will be required. However, the Village and the Developer further agree that an additional study of market conditions will be commissioned under the same terms and conditions every three (3) years after the original study is completed. If there is an adequate market at the time of any subsequent study, again the Developer shall proceed with the conversion of the apartment units into condominiums in accordance with the applicable provisions of law. If the Developer fails to provide any such study when due hereunder, such shall constitute a default hereunder (subject to the notice and cure provisions hereof) and if such default is not cured within the time provided in Article Sixteen hereof, then all obligations of the Village to make payments to and/or reimbursement to the Developer under this Agreement shall terminate and be of no further force or effect. The provisions of this section shall constitute a covenant running with the land and be binding upon not only the Developer but any successor developers and/or owners of the Property, and also on any tenants of any of the residential units. At the time of any such conversion, the leases of any units then being leased shall terminate at their respective stated termination dates and thereafter any such units must be marketed for sale (as condominiums) only and no longer may be rented.

Further, upon such conversion the number of residential units shall be reduced from 167 apartment units for rent to a maximum of 151 condominium units consisting of 4 one-bedroom units, 143 two-bedroom units and 4 three-bedroom units.

6.9 <u>Residential Units – Standards.</u> If the residential units are initially marketed as apartments for rent and not condominiums, the following provisions shall apply:

1. Each residential unit (both apartments and townhomes) shall be of first class construction and at a minimum shall include the following minimum finishes and improvements, and no additional rent shall be charged for their inclusion and no prospective tenant/owner shall be allowed an option to have his/her rent reduced by elimination of one or more of the following:

    - All new kitchen appliances (including, at a minimum, an oven, stove, refrigerator, microwave oven, dishwasher and garbage disposal)
    - Granite countertops for all bathroom and kitchen countertops
    - Solid wood front and rear doors
    - Upgraded cabinets (to be chosen by Developer and approved by the Planning Staff of the Village)
    - Double hung windows
    - Upgraded wall to wall carpeting in the bedrooms (to be chosen by Developer and approved by the Planning Staff of the Village)
    - Wood or upgraded tile floors in the kitchen, living room, dining room and den (to be chosen by Developer and approved by the Planning Staff of the Village)
    - Each unit shall have its own separate laundry room and be equipped with a new washer and dryer.

2. No lease for a residential unit shall be for a period of greater than nor less than 12 months. Each lease shall contain the following clause:

    > It is understood that when economic conditions are such that the units can successfully, in the opinion of the Village of Tinley Park, be converted from apartment units to condominiums, the Lessor is required to commence the necessary procedures to convert all apartment units to condominiums. Due notice will be given by the Developer to each lessee when such action is to be taken, and all applicable legal requirements shall be followed. In no event shall such condominium conversion occur any later than ten years from

the date of this Development Agreement, unless a delay is approved by the Village.

3. At the time of eventual conversion to condominium units, all existing appliances and carpeting shall be replaced by Developer at its cost with new appliances and carpeting equal to or better than the original appliances and carpeting.

It is acknowledged and understood that both the Developer and Village prefer that the residential units be condominium units rather than rental apartments.

ARTICLE SEVEN
VILLAGE COVENANTS AND AGREEMENTS

7.1 Village's Redevelopment Obligations. Subject to the conditions and terms set forth in this Agreement, the Developer is hereby designated to construct all of the public improvements designated on **Exhibit 8** (the "Public Improvements").

The Developer must construct the Public Improvements (including the parking improvements) in full compliance with the Prevailing Wage Act (the "Act") of the State of Illinois, as amended, as well as comply with the Act if it is amended to apply to any other portion or all of the Project. If Developer fails to comply with the Act the Village need not reimburse the Developer for any portion of the Incentive Amount equal to the cost of the work which was not in compliance with the Act. Developer shall provide the Village, at the Village's request or otherwise in compliance with the Act, with all documents necessary to show compliance with the Act.

The surface parking lot shall be constructed by the Developer and conveyed to the Village upon substantial completion. Thereafter, the Village shall fully maintain the common surface parking lot to serve the retail component of the project and adjoining businesses.

The Developer's reimbursement for its construction of the Public Improvements shall be limited to the sum of the costs for such items comprising the Public Improvements on **Exhibit 8**, and if the final cost of the Public Improvements is less than that shown on **Exhibit 8**, the Developer shall be entitled to be paid only the lesser actual cost. If the actual cost is more than as shown on **Exhibit 8**, the Developer shall still only be entitled to the amount itemized on **Exhibit 8** and the Developer shall pay and absorb the additional cost. Moreover, the Developer in constructing such Public Improvements (including parking improvements) shall follow such procedures (such as competitive bidding, providing that contracts or subcontracts are subject to review and approval of the Village Engineer, etc.) as shall be required by the Village. Among the options that the Village may require are the following:

Multiple Bids/Proposals. The Village can require that the Developer solicit up to three bids.

Developer Decision with Consent. The Developer reviews competitive bids and submits and recommends to the Village for approval. The contract can be executed with the consent of the Village.

Guaranteed Maximum Price. The Village may treat the Developer as a project manager and execute a contract with a guaranteed maximum price.

Developer Contracts and Supervises. Developer coordinates all aspects of the construction and often times blends work in with private property improvements in a way that is more effective and cost effective.

7.2 Village Cooperation. The Village agrees to cooperate with Developer in Developer's attempts to obtain all necessary approvals from any governmental or quasi-governmental entity other than the Village and upon request of Developer, will promptly execute any applications or other documents (upon their approval by the Village) which Developer intends to file with such other governmental or quasi-governmental entities in respect of the Project. The Village shall further promptly respond to, and/or process, and consider reasonable requests of Developer for: applicable excavation and foundation permits; shell permits; other building permits; driveway permits; curb cuts or other permits necessary for the construction of the Project. Approval of any building permit applications and/or engineering plans shall be contingent on the Developer providing all required and requested documentation for each such permit, including but not limited to engineering reports, calculations and plans required to substantiate that said improvements fully conform with all applicable state statutes and also all Village ordinances and codes , as well as receipt of all required approvals from any federal, state, regional or county agencies having applicable jurisdiction.

7.3 Project Pre-Condition. Prior to the Developer being required to construct the Project hereunder, the Village agrees to authorize the construction and funding of the Public Improvements.

The Developer may, in its sole discretion, waive the aforesaid precondition.

7.4 TIF Incentives. Subject to the terms, conditions and restrictions of this Agreement and the Act, the Village shall pay to or on behalf of the Developer, its successors, assigns, transferees or designees solely from the Net Incremental Property Taxes in the TIF Fund remaining after payment of all Village administrative costs up to a maximum of Three Million Seven Hundred and Seventy-Six Thousand ($3,776,000) Dollars (the "TIF Incentive Amount") solely to reimburse Developer for Redevelopment Project Costs which are qualified for payment under this Agreement and applicable law and pursuant to the procedures set forth in Section 7.9 below (it being understood that the Village is in no way guarantying that there will be sufficient Incremental Property Taxes to pay the full Incentive Amount), all in accordance with the provisions of Section 7.7. The obligation of the Village to reimburse the Developer for eligible TIF costs shall be evidenced by a Note in form attached hereto as **Exhibit 12.** The Developer shall be obligated to obtain the purchaser of the Note and the Village shall have no obligation to do so but will cooperate in authorizing the issuance of the Note under the terms and conditions set forth in an ordinance to be adopted by the Village. The Developer shall notify the Village from time to time of all new property index numbers (PINs) as they are issued by the County Clerk, it being understood that without such information the Village will be unable to calculate and determine the amount of Incremental Property Taxes, and failure of Developer to do so will release the Village from obligation to disburse any Incremental Property Taxes that may have been generated by the parcels that have the missing PINs until they are reported by the Developer to the Village. Such Incentive Amount shall be paid under the terms and conditions set forth in Sections 7.7.

7.5 Conveyance of Land. A portion of the property upon which the Village parking area is to be constructed, is owned by the Developer. A portion of the property upon which the building to be constructed by the Developer is owned by the Village. The parties agree to convey portions of the property to one another, which properties to be conveyed are legally described on **Exhibit 9** attached hereto and hereby made a part hereof.

7.6 Payments. The Village will fund the construction of the Public Improvements as set forth on **Exhibit 8** when and as billed to the Village in an amount not to exceed Two Million ($2,000,000) Dollars. Such funding will be provided only upon Village acceptance of such Public Improvement after completion and also upon satisfactory (to the Village) documentation being submitted to the Village in accordance with Section 7.9(e) below by Developer.

7.7 Class 8 Certification. To the fullest_extent permitted by law, the Village shall support, by Resolution, the Developer's application for Class 8 tax certification under the Cook County Classification Ordinance for the commercial portion of the Project.

7.8 Village Permit Fees. The Village agrees to reduce or waive all Village building permit fees, tap-in fees, internal review fees, impact fees and meter fees, exclusive of outside charges for engineering review, landscape review and legal fees, to the agreed sum of $100,000 which shall be due and payable at the time of issuance of the first building permit.

7.9 Reimbursement Procedures.

(a) The Village shall authorize the distribution to the Developer, or directly, to the Developer's subcontractors of, or reimbursement to the Village of, Net Incremental Property Taxes or revenue from other sources including from the existing fund balance in the TIF District Fund as determined by the Village in its sole discretion under this Section 7.9 in accordance with the terms of this Agreement, upon satisfaction of the following conditions:

(i) Developer has submitted to the Village's Treasurer a disbursement request on a form reasonably acceptable to the Village with respect to such portions.

(ii) Developer is not in default under this Agreement after expiration of all applicable cure periods.

(iii) The Village has previously inspected and approved the Eligible Improvements.

(b) As a prerequisite to the making of payments to the Developer, the Developer must certify to the Village the following:

(i) The Developer (or its successor or assign, if applicable) is duly organized and validly existing.

(ii) The Developer has the right, power and authority to submit the request for payment and to perform its obligations under the Agreement.

(iii) No Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default under the Agreement or under any financing agreement related to the Project or under any construction contract for the Project exists and remains unremedied.

(iv)The requested disbursement is for Redevelopment Project Costs which are qualified for payment under this Agreement and applicable law.

(v) None of the items for which payment is requested has been the basis for a previous payment.

(vi)The payment is due and owing (or has already been paid) from the Developer to its construction manager, contractor, subcontractor or material supplier or others.

(vii)The Developer has obtained all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and as applicable to reconstruct, complete and operate the Improvements.

(viii)The Developer is in substantial compliance with its material covenants under this Agreement and has satisfied any other preconditions to disbursement.

(ix) That no uncontested lien other than a mortgage or mortgages exists against the Property.

(x) That no lien exists against the property except those that Developer, in good faith and based upon reasonable grounds, is contesting.

(xi) That the Developer has certified the work for which payment is sought has been completed.

(xii) That the Developer and all entities in which Robert Hansen has an ownership interest owe no monies to the Village.

(c) As a prerequisite to any payments by the Village and to assist in the Village's consideration, the Developer must provide to the Village:

(i) Good and sufficient (partial or full) waivers of liens with respect to the payment requested.

(ii) Proof in a form reasonably acceptable to the Village, such as a contractor's sworn statement and architect's certification, that the Developer is or was obligated to make the payments for which reimbursement is sought.

(iii) Such information as is reasonably necessary for the Village to determine that reimbursement is being sought for a Redevelopment Project Cost and is otherwise due and payable hereunder.

(iv) A request for disbursement ("Request for Disbursement") on a form acceptable to the Village.

(v) All certificates required above.

(d) Notwithstanding subparagraph (b) above, it is understood and acknowledged by the Parties that the entire Project shall be fully completed prior to Net Incremental Property Taxes being available. Any reimbursement payable to the Developer pursuant to this Section 7.9 that is attributable to work performed by Subcontractors, as evidenced by waivers of lien submitted to the Village by Developer, shall be reimbursed to the Developer pursuant to the provisions of the TIF Note.

(e) The Developer shall, upon request by the Village, provide the Village with all documentation required to evidence the cost of the Eligible Improvements such records to include, but not be limited to, all contracts with general contractors and all subcontractors, contractors sworn affidavits, lien waivers, copies of checks and any other documentation specified by the Village and/or in the possession of the Developer. The Village may, at Developer's cost, require an audit of all evidence of the cost of Eligible Improvements such audit to be performed by an auditor selected by the Village in its sole discretion.

(f) It is understood that the Incentive Amount, is the maximum amount the Village will be required to reimburse the Developer. It is further understood that the Village may reimburse itself out of the Incentive Amount for any monies owed by the Developer (or any entity in which Robert Hansen has an ownership interest) and that the Incentive Amount will be reduced by the amount of any such reduction. If the cost of the Eligible Improvements (taken as a whole) is less than the Incentive Amount, the lesser amount is the maximum amount the Developer will be entitled to be reimbursed hereunder. If the cost of the Eligible Improvements exceeds the Incentive Amount, the Developer still shall be entitled to only receive a maximum amount of Three Million Seven Hundred and Seventy Six Thousand Dollars ($3,776,000) Dollars from the TIF Fund.

(g) It is understood that the Village is not required to issue any tax increment financing revenue bonds, Village or Developer investment notes, or any other financing device of any kind to pay the Incentive Amount.

ARTICLE EIGHT
DEVELOPER'S COVENANTS AND AGREEMENTS

8.1 Developer's Development Obligations. Developer shall have the obligations set forth in this Article Eight for the development, construction, financing, completion and furtherance of the Project, all subject to the Village's financial commitments set forth in this Agreement and those conditions set forth in Section 7.3 and elsewhere in this Agreement.

8.2 Developer's Commitments.

(a) The Developer will construct the Project in full conformance with the Site Plan and the Exhibits hereto and all final development and engineering plans (the approved "Final Plans") approved by the Village.

(b) Tree clearing and soil balancing for the Property and Project shall be done by the Developer.

(c) Developer shall grant, dedicate or convey all rights-of-way and easements on the Property in order to provide for all required subdivision improvements, as shown in the Final Plans, including but not limited to streets, sidewalks, street lights, water mains, storm and sanitary sewer mains, detention or retention ponds, gas, electricity, and cable television. The Village shall coordinate said conveyances with all applicable utility companies and other applicable governmental bodies and/or agencies.

(d) Developer shall install on behalf of the Village all necessary water mains, sanitary sewer mains and storm sewers necessary to serve the Property and Project in accordance with final engineering plans approved by the Village.

(e) Developer shall provide or cause to be provided to the Village a letter of credit for the Public Improvements in form and substance satisfactory to the Village in an amount equal to 125% of the Village Engineer's estimate of the cost of the Public Improvements (as shown on **Exhibit 8**), including the cost of the parking improvements (as shown on **Exhibit 6)** if Developer is required by the Village to construct such improvements on behalf of the Village.

(f) Developer shall convey title to all public improvements (as delineated in the Village codes and ordinances, including its Development and Subdivision Code) by an appropriate instrument of conveyance.

(g) Developer shall park and stage all construction equipment, materials and vehicles at such site(s) as may be designated by the Village from time to time.

(h) Developer shall include in its covenants and all leases that outdoor storage is prohibited.

(i) The Village and the Developer shall grant such easements as are necessary to implement access to all areas and structures to facilitate the Plan and use of the parking areas and street to be dedicated.

8.3 Property Manager. It is understood that the Developer's current intention is to not sell, but instead lease, both the residential and the commercial/retail space portions of the Project. The Developer is hereby prohibited from selling any portion of the commercial/retail space to individual owners without first requiring in any recorded condominium declaration(s) or restrictive covenants that the owner(s) must hire a professional commercial real estate manager experienced in managing commercial/retail space of the size contemplated herein. Nothing herein shall be construed to prohibit the sale of all the commercial/retail space to an individual owner experienced in commercial real estate leasing and management. Developer must also hire a professional residential real estate manager to manage all rental activities relating to the residential units for rent. Such manager shall be hired to perform all the duties customarily required of managers of residential apartment complexes. Specifically, Developer agrees that all potential tenants of the residual units for rent must undergo both financial and criminal background checks to determine their suitability as tenants. Developer's manager shall hire a qualified firm or firms to do such background checks. Nothing herein shall be construed to prohibit Developer and/or its manager from charging a non-refundable application fee to cover the costs of such background checks. Notwithstanding the foregoing, the Village Manager shall have the authority to waive, modify or vary any of the requirements of this Section without amending this agreement and without any further public hearings.

8.4 Construction Financing Deadline. Within three (3) months of the Village approving the Final Plans and meeting the precondition set forth in Section 7.3, the Developer shall demonstrate to the Village's satisfaction that Developer has sufficient funds to pay the costs of the Project. To evidence that fact, Developer shall obtain a bank commitment term sheet, in form and content that is typical in the industry and is satisfactory to the Village, for construction financing for the Project, and shall furnish a complete copy of such term sheet to the Village. The Village shall be named as a beneficiary on all performance, labor, and material bonds and completion guarantees relating to public improvements being constructed by the Developer and/or improvements in any street right-of-way and/or required by Developer's lender or the Developer or any other entity (including the Village) providing labor and/or material relative to the Project. Duplicate originals of said bonds and/or completion guarantees naming the Village as a beneficiary shall be provided to the Village within sixty (60) days of the Developer having obtained a term sheet for financing as stated herein.

Alternatively, Developer may in its discretion submit written evidence to the Village in a form and substance satisfactory to the Village, in its sole and absolute discretion, that Developer has access to sufficient funds to pay the cost of the Project, without obtaining third party financing.

If Developer fails to meet any of the requirements of this Section, the Village shall be relieved of its obligations under this Agreement after Developer is given written notice of such failure and Developer has not cured such failure within sixty (60) days after receiving such notice from the Village.

8.5 Timing of Developer's Obligations. The Developer shall provide or cause to be provided an irrevocable letter of credit in such form and substance and amount as approved by the Village and from a financial institution approved by the Village to guaranty the construction of all Public Improvements for the Project, with said letter of credit to be filed prior to the issuance of any building or other permits needed before work can proceed.

Subject to Uncontrollable Circumstances, Developer agrees to complete construction of the Project within eighteen (18) months after it begins construction of the Project. Construction shall be deemed to have begun on the day the first building permit (regardless of type) is issued.

If Developer fails to complete the Project within the time period set forth above, such will constitute a default under this Agreement (subject to the cure provisions hereof) unless caused by Uncontrollable Circumstances.

8.6 Compliance with Applicable Laws. Developer shall at all times acquire, install, construct, operate and maintain the Project in conformance with all applicable laws, rules, ordinances and regulations. Except as to code provisions that the Village has granted variations from, all work with respect to the Project shall conform to all applicable federal, state and local laws, regulations and ordinances, including, but not limited to, zoning, subdivision and planned development codes, building codes, environmental laws (including any law relating to public health, safety and the environment and the amendments, regulations, orders, decrees, permits, licenses or deed restrictions now or hereafter promulgated thereafter), life safety codes, property maintenance codes and any other applicable codes and ordinances of the Village, or any of its rules or regulations or amendments thereto which are in effect from time to time at the time of issuance of each building permit.

8.7 Progress Meetings. Developer shall meet with the Corporate Authorities and/or Village staff (as determined by the Village) at least every six months and up to four (4) times a year and make presentations to the Corporate Authorities and Village staff as reasonably requested by the Village President in order to keep the Village apprised of the progress of the construction of the Project.

8.8 Developer's Cooperation and Coordination. During the construction of all public and private improvements for the Project, the Developer shall provide such notices and attend such community and neighborhood meetings as may be necessary or desirable, as reasonably determined by either the Village or the Developer, to keep all the residents and local businesses in the immediate vicinity fully informed of progress on the Project and any measures that residents should take to minimize any inconvenience. The Developer shall also stage its construction of the Project to avoid to the fullest extent possible any such community disruption. During construction the Developer shall also keep all streets clean on a daily basis, and for each day in which such streets are not properly clean, the Developer shall pay the Village the sum of $250 for each such violation. The Developer also agrees to coordinate all construction with any special events planned by the Village, particularly including, but not limited to, events occurring at the Zabrocki Plaza, the Metra train station and the Metra commuter parking lots, and any other celebrations located in the vicinity of the Project in general and specifically along Oak Park Avenue and South Street. In the event of any such special events, such coordination with the Village shall include a specific traffic plan approved by the Village for both vehicles and pedestrians during the special event.

8.9 Site Maintenance. Developer shall keep the Property clean and free from debris at all times during the construction of the Project. Developer shall post with the Village a performance bond or cash in the amount of $10,000 and in a form satisfactory to the Village to guaranty such site maintenance and allowing the Village to draw any necessary amount thereon to perform any such work (or to reimburse itself for the cost of doing any such work) when the Village determines in its sole discretion that it is necessary to do so.

8.10 Maintenance-Special Service Area. It is understood and acknowledged that the Project, once completed, will require a unique amount of maintenance and public safety measures in order to make it successful, with such maintenance and public safety measures being over and above that customarily provided by the Village. Accordingly, it is agreed that the Developer, its successors and assigns, and all subsequent owners within the Project all hereby agree to waive all rights to the formation of a special service area under the Illinois Special Service Area Tax Act (35 ILCS 200/27-5 et. seq.) and the financing of said services through said special service area, as well as the amount of any tax levy, bond issue or other financing mechanism proposed to fund the special services. Once the special service area has been formed, the obligations thereunder shall be as follows. The Village will determine what measures are to be included in the financing covered by the special service area and the Developer, its successors and assigns, and all subsequent owners within the Project all hereby agree that they shall have no right to object to the measures included in the special service area and the budget for such measures. The Developer, its successors and assigns, and all subsequent owners within the Project may request the inclusion of various items to be financed and managed through the special service area, and if such requests are received, there shall be no right to object to inclusion of those maintenance items in the special service area, and the budget for such items. For all other maintenance items that the Village may wish to include, from time to time, in the special service area, the Village will establish an annual budget for such items after receiving input from the Developer, its successors and assigns, and all subsequent owners, but who, either individually or collectively, cannot raise objections to the amount of the budget. As an alternative, if the Developer, its successors and assigns, and/or all subsequent owners determine that any such maintenance items are too expensive, they can provide for such services at their expense; provided, however, if at any time they fail to provide for such services and/or the payment for such services, the Village can in its sole discretion determine to include such items in the future in the special service area.

ARTICLE NINE
ADDITIONAL COVENANTS OF DEVELOPER

9.1 Developer Existence. Developer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and standing as an Illinois limited liability company, so long as Developer maintains an interest in the Property or has any other remaining obligation pursuant to the terms of this Agreement.

9.2 Construction of Project. Developer shall diligently pursue obtaining all required permits and Developer shall cause construction of the Project on the Property to be prosecuted and completed pursuant to the terms hereof with due diligence, in good faith and without delay, subject to Uncontrollable Circumstances and the other provisions of this Agreement.

9.3 Further Assistance and Corrective Instruments. The Village and Developer agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required for carrying out the intention of or facilitating the performance of this Agreement to the extent legally permitted and within the Village's and the Developer's sound legal discretion.

9.4 No Gifts. Developer covenants that no officer, member, manager, stockholder, employee or agent of Developer, or any other Person connected with Developer, has made, offered or given, either directly or indirectly, to any member of the Corporate Authorities, or any officer, employee or agent of the Village, or any other Person connected with the Village, any money or anything of value as a gift or bribe or other means of influencing his or her action in his or her capacity with the Village.

9.5 Disclosure. Concurrently with execution of this Agreement, Developer shall disclose to the Village the names, addresses and ownership interests of all Persons that comprise Developer, together with such supporting documentation that may be requested by the Village. Developer further agrees to notify the Village throughout the term of this Agreement of the names, addresses and ownership interests of any new Member.

ARTICLE TEN
SALES TAX INCENTIVE

10.1 Village Benefits. The Village is desirous of having the Property improved in order to service the needs of the Village and its residents, and the Project will increase employment opportunities in the Village, arrest decline in economic conditions existing in the Village, stimulate residential and commercial growth and stabilize the tax base of the Village, and, in furtherance thereof, the Village contemplates certain incentives and continuing economic incentives under the terms and conditions hereinafter set forth to assist in such.

10.2 Need for Economic Assistance. The parties hereto acknowledge, and the Developer represents and warrants, that it requires economic assistance from the Village in order to commence and complete the Project, and that, but for said economic assistance, the Project as contemplated would not be economically viable nor would the funds necessary for its commencement and completion be available.

10.3 Sales Tax Defined. For purposes of this Agreement, the use of the terms "sales tax" and "sales tax revenue" shall be construed to refer to that net portion of taxes imposed by the State of Illinois for distribution to the Village pursuant to the Retailers' Occupation Tax Act and the Service Occupation Tax Act (as said acts may be amended) and which are collected by the State and distributed to the Village, and all revenue derived from such taxes. If a governmental or legislative body enacts any law or statute which results or which may result in any material changes or amendments to the foregoing sales tax provisions, which changes or amendments prohibit the Village from complying with this Agreement or which materially adversely affect the Village's ability to comply herewith, then the Village, at its sole discretion, will re-evaluate the incentive to be provided and may elect to amend the incentives and inducements set forth herein. Of specific concern is the Streamlined Sales Tax Initiative – see Section 10.14 below.

10.4 Conditions Precedent to the Undertakings on the Part of the Village.

All undertakings on the part of the Village pursuant to this Agreement are subject to satisfaction of the following conditions by the Developer on or before the date of the Initial Payment provided for in Section 10.5 below, or as otherwise specifically hereinafter stated:

(a) The Developer shall have obtained final approvals relating to the Project, it being understood and agreed that the Village has the discretion established by law to approve all such work and the Village shall not be deemed to have caused a default hereunder or have any liability for its failure to approve such work.

(b) The Developer shall have obtained any other final approvals necessary from any other governmental unit or agency which has jurisdiction or authority over any portion of the Project.

(c) The Developer shall have certified to the Village that there exists no material default under this Agreement, beyond any applicable cure period set forth herein, or any agreement, guaranty, mortgage or any other document which the Developer has executed in connection with the Project, beyond any applicable cure period set forth therein, that affects or that may affect the Developer's ability to complete the Project on the Property, and that the Developer has not received any notice of any violation of any Village ordinances, rules and regulations, or of any applicable laws of the State of Illinois or the United States of America, and/or any agency or subdivision thereof, as well as any ordinances and resolutions of the Village pertaining to the Project which by their respective terms are to have been complied with prior to the completion of the Project.

(d) The Developer agrees that in the event there is a change in the ownership (legal or beneficial) of the Property, or any portion thereof, or of the Developer, excepting a transfer of ownership to a family (same family that is currently a Member of the Developer) owned or controlled trust, the Village shall no longer be required to pay all or any portion of the incentive payments provided for in Section 10.5(b) hereof except as otherwise provided in Section 10.9 hereof.

(e) If a land trust or limited partnership shall become the owner of the Property, the sole beneficiaries of the Trust or the partners in the limited partnership shall have delivered to the land trustee or general partners as the case may be an irrevocable letter of direction indicating that any notice received by the land trustee or limited partnership which adversely impacts the Developer's title to or interest in the Property, including but not limited to any notice of failure to pay real estate taxes, notice of foreclosure or notice of mechanic's lien(s) on the Property, will be sent to the Village within three (3) business days following receipt thereof. Such letter of direction shall be irrevocable for so long as the Village is required to make payments under Section 10.5 of this Agreement. The Developer also agrees to send to the Village any such notice received by either of them within three (3) days of receipt.

10.5 Undertakings on the Part of the Village.

Upon satisfaction by the Developer of all the terms and conditions set forth in this Agreement, the Village hereby undertakes to make the payments set forth in (a) below:

(a) In addition to the conditions set forth in Section 10.4 above, the Developer shall have substantially completed the entire Project.

(b) In the event that all terms and conditions set forth in this Agreement are satisfactorily met by the Developer, the Village hereby agrees to pay the Developer an amount determined as follows, by annual installment payments over a maximum of a ten (10) year period as follows, subject however to the following conditions and restrictions:

(i) Each amount will be due and payable solely from the proceeds of new sales tax revenue received by the Village from the Property computed as follows:

(1) It is acknowledged and understood by and between the parties hereto that the Village receives sales tax revenue monthly, and that the taxes generated by sales in any one month are distributed to the Village approximately three (3) months later (e.g. taxes generated by sales in July are generally received in mid to late October). In addition, however, it is further acknowledged and understood that IDOR only reports and releases sales tax information showing sales taxes received from specific locations on a quarterly (not monthly)basis according to the following schedule:

The quarterly reporting cycles will cover the following months based on when the sales taxes were originally generated (IDOR refers to this as the Liability Month):

1st quarter - December, January, February - reported in May
2nd quarter - March, April, May - reported in August
3rd quarter - June, July, August - reported in November
4th quarter - September, October, November - reported in February

(2) The initial payment year (hereinafter referred to as the "Initial Payment Year") shall be that twelve (12) month period commencing on the first day of the full month that follows the month in which the first commercial space in the Project is substantially completed and approved by the Village as evidenced by a Certificate of Occupancy being issued by the Village for such first commercial space completed on the Property (each subsequent 12-month period is hereinafter referred to as "Subsequent Incentive Year").

(3) For all sales tax revenue received in the Initial Incentive Year and the individual Subsequent Payment Years, the Developer shall be entitled to fifty percent (50%) of the sales tax revenue received from all new (not currently existing in the Village) businesses that are located on the Subject Property, with the Village retaining the remaining fifty percent (50%) received in any one payment year. For any business that relocates from another location within the Village to the Subject Property, the sales tax revenue shall be distributed as follows: The Village shall be entitled to receive 100% of the sales tax revenue up to the amount which is equal to the average annual sales tax revenue from any such business for the four calendar years preceding the year in which the business relocates to the Subject Property (the "Incentive Base") as verified by the Village Treasurer (see Section 10.6 below for the process needed to enable the Village Treasurer to make such verification). If the business has not been in operation for at least four years the Incentive Base shall be the average sales tax revenue received from the business for the full years in which it was in operation at its prior location(s). For each year any such relocated business is in operation on the Subject Property, the Village shall be entitled to all sales tax revenue received from the Subject Property, attributable to the Initial Payment Year or the individual Subsequent Incentive Years, up to the Incentive Base. For all sales tax revenue in excess of the Incentive Base received in the Initial Incentive Year and/or the individual Subsequent Payment Years from any such relocated business, the Developer shall be entitled to fifty percent (50%) of the sales tax revenue received in excess of the Incentive Base attributable to the relocated business, with the Village retaining the remaining fifty percent (50%) of the excess over the Incentive Base received in any one payment year.

The payments remitted to the Developer that accrue during the Initial Incentive Year shall hereinafter be referred to as the "Initial Payment." Payments remitted to the Developer that accrue during the individual Subsequent Incentive Years shall hereinafter be referred to as "Subsequent Payments."

(4) Contingent upon the receipt of the sales tax reporting from the Property from IDOR in accordance with the IDOR quarterly reporting cycles set forth above in Paragraph 3(b)(j)(I) the Initial Payment shall be made, if at all possible, not later than the first day of the fourth month after the end of the Initial Payment Year or within thirty (30) days of receipt of the actual revenue for such year, whichever is later. Payments, if any, shall then be made annually, again contingent upon the IDOR quarterly reporting cycles, for the

following nine (9) Subsequent Incentive Years not later than the fourth month after the end of the respective Subsequent Incentive Year or within thirty (30) days of receipt of the actual revenue for each such year, whichever is later. After receipt of the incentive payment for the last Subsequent Incentive Year hereunder, or by the end of the applicable ten (10) year period, the annual installment payments to be made to the Developer hereunder shall cease, since there is no guarantee being made to the Developer that it shall receive any specific dollar amount of sales tax revenue.

(ii) That the Developer shall have delivered to the Village no less than thirty (30) days prior to the Initial Payment, and no less than thirty (30) days prior to each Subsequent Payment, a certificate dated within fifteen (15) days of receipt by the Village that all representations and warranties contained in Section 10.7 herein are true and correct. Provided, however, that once the Project has been completed and any aspects of the Project requiring Village approval have received such approval from the Village as finally completed, the certificate required hereunder need not contain a representation and warranty regarding matters covered in subparagraphs (a) and (h) of said Section 10.7.

(iii) That the Village has received no notice from the Developer or from any other source that there exists any material default beyond the applicable cure period under any of the terms, conditions or provisions under any of the loan documents under which the Developer's financing, if any, for the Project was obtained, that affects or that may affect the Developer's ability to complete the Project on the Property. The Developer shall provide the Village with any notices received throughout the term of this Agreement relating to the Property which may have an adverse impact on this Project, specifically including any notices regarding any tax or loan delinquencies. Provided, however, that if the Village receives evidence satisfactory to it that any such default has been cured, except as otherwise provided herein, the payments to the Developer required hereunder shall resume if all other requirements have been met.

The Village shall provide for payments required under this Section by appropriating therefor in its annual budget ordinance for the fiscal year in which such payment may be due.

Subject to Section 10.13, in the event that the Project is not completed on or before March 1, 2014 or on such other later date as may be agreed upon by and between the Village and the Developer, then the Developer shall be in default hereunder and all obligations on the part of the Village to make any payments to the Developer pursuant to this Section 10.5 shall terminate after expiration of the cure period set forth in Section 10.12 hereof, and neither the Village nor the Developer shall have any further obligations with regard to the Project.

In the event that the Developer fails to deliver to the Village any or all of the foregoing certifications within the time periods set forth above, or otherwise violates any term or provision of this Agreement, then in such event, the Village shall have no obligation to make any payment to the Developer until such time as any such failure or violation is corrected to the reasonable satisfaction of the Village (except where this Agreement provides for forfeiture of any such payments), and all rights of the Developer to demand any current or future payment from the Village shall be deemed waived until such failure or violation is so corrected, and all other obligations on the part of the Village arising pursuant to this Agreement shall be deemed suspended and without any further force and effect unless and until such failure or violation is so corrected within the applicable cure period. Where this Agreement provides for forfeiture of any such payments, the Village may in that event cancel this Agreement immediately and permanently.

Notwithstanding any of the foregoing, or any other provision contained herein, if the Developer and/or Owner of the Property, if different than the Developer, fails in any year to timely pay any or all of the real estate taxes on the Property when they become due, the Village may, at is sole discretion, terminate this Agreement, and the Developer shall forfeit (and such forfeiture shall not be subject to any cure period) all future incentive payments due hereunder. The Developer and/or Owner, if different than the Developer, shall provide evidence to the Village that such taxes were paid when due within thirty (30) days after the date when due. Notwithstanding the foregoing, the Developer shall have the right to contest in good faith the assessed valuation of the Property and the improvements thereon from time to time without affecting this Agreement.

10.6 <u>Undertakings on the Part of the Developer.</u>

(a) Subject to Section 10.13, the Developer shall commence construction of the Project on or before September 1, 2012, and shall not cause or permit the existence of any violation of Village ordinances, including but not limited to the Village's Building Code, Zoning Ordinance and Variation Ordinance, Fire Code, Sign Ordinance, Landscaping Ordinance, and any and all rules and regulations thereunder. The Developer shall have substantially completed the entire Project on or before March 1, 2014 or by such later time as may be agreed by and between the Village and the Developer, with such substantial completion to be evidenced by 1) copies of all paid invoices for the Project, 2) a certificate of substantial completion signed by the Developer's architect or project manager, and 3) all such inspections and approvals as may be required by the Village. If requested by the Developer, the Village shall provide to Developer a written statement confirming such substantial completion for the purposes of this Agreement.

(b) The Developer shall comply with all of the requirements set forth in Sections 10.4 and 10.5 of this Agreement.

(c) The Developer shall require the title holder of record (if at any time different from the Developer) of the Property to give the Village notice regarding any forfeiture on the financing documents by the Developer for the financing of the Project or its subsequent purchase if an assignment is approved hereunder, and any tax and/or "scavenger" sales of the Property, or any portion thereof.

(d) The Developer shall obtain and provide to the Village a power of attorney letter for each business entity occupying the commercial space within the Property for the release of sales tax information from the Illinois Department of Revenue (IDOR). Said power of attorney shall take the form of an "Authorization to Release Sales tax Information to Local Governments" ("Authorization") in the form and format as prescribed from time to time by the IDOR. As the Project reaches completion, and/or occupancy of the commercial space of the Property is imminent, the current proper Authorization form will be provided by the Village to the Developer. A new Authorization form will be provided to the Developer from time to time whenever the IDOR Authorization form requirements have changed or the form may also be obtained directly from the IDOR. The completed Authorization forms will be provided to the Village Treasurer as soon as possible after a business intends to occupy space within the Property. If the business is relocating to the Property from another location in the Village, any such relocated business shall, in addition, provide IDOR Authorization forms for each prior location at which it did business in the Village, such forms being required to determine the Incentive Base in Section 10.5(b)(i)(3) above. If the Village is unable, for any reason, to determine the Incentive Base for any such relocated business, then the Developer will not be entitled to receive any sales tax revenue from any such relocated business. In addition to said Authorization, each company shall prepare and submit such other or additional form(s) or information as may be required from time to time by the IDOR in order to release sales tax information to the Village. The Village shall have no responsibility for obtaining the necessary Authorizations and related information from the Developer or the businesses located within the Property. In the event that the sales tax information is not released by the IDOR due to the failure of the Developer or any business entity occupying the commercial space within the Project to execute (including properly execute), the necessary Authorization form(s), the Village shall not be required to make any of the incentive payments provided for in Section 10.5(b) hereof, subject to the cure provisions set forth in Section 10.12 hereof, and subject to the requirements of the IDOR.

(e) The Developer hereby covenants and agrees to promptly pay or cause to be paid as the same become due, any and all taxes and governmental charges of any kind that may at any time be lawfully finally assessed with respect to the Project and/or the Property.

10.7 Representations and Warranties of the Developer.

(a) The Developer hereby represents and warrants that the Project requires economic assistance from the Village in order to commence and complete the Project and, but for the economic assistance to be given by the Village as heretofore stated, the Project as contemplated would not be economically viable nor would the funds necessary for its completion be made available.

(b) The Developer hereby represents and warrants that at all times it shall comply with all applicable local zoning ordinances and regulations, all building and fire code regulations and all other applicable Village ordinances, resolutions and/or regulations.

(c) The Developer hereby represents and warrants that it shall comply with all applicable laws, rules and regulations of the State of Illinois, the County of Cook and the United States of America, and any and all agencies or subdivisions thereof.

(d) The Developer represents and warrants that it shall comply in all material respects with all terms, provisions and conditions, and that it shall not default or permit a continuing default under any document or agreement relating to the Project or the financing and development of the Project, including but not limited to this Agreement, and all agreements and documentation executed and delivered in connection with any financing or loans for the Project, a default under which would have a material adverse effect on the sales tax revenue generated thereby to the Village.

(e) The Developer hereby represents and warrants that it shall comply with all applicable Village ordinances concerning unlawful employment practices and consumer protection.

(f) The Developer hereby represents and warrants that it is an Illinois limited liability company in good standing under the laws of the State of Illinois.

(g) The Developer hereby represents and warrants that, as of the date of this Agreement, the cost of Project is anticipated to be at least $34,800,000.

(h) The Developer hereby represents and warrants that it has provided the legal description of the Property set forth in this Agreement and that said legal description is accurate and correct to the best of the Developer's knowledge.

10.8 <u>Defaults.</u>

The occurrence of any one or more of the following shall constitute a default by the Developer under this Agreement, subject to the cure provisions set forth in Section 10.12 hereof, unless otherwise provided herein:

(a) A default of any term, condition or provision contained in any material agreement or document relating to the Project (other than this Agreement), including but not limited to loan documents, and the failure to cure such default within the time and manner as provided in any such agreement or document, that affects or that may affect the Developer's ability to operate the Project at or on the Property.

(b) Failure to comply with any term, provision or condition of this Agreement; and the failure to cure such default within the time and manner provided herein; provided, however, the failure to timely pay real estate taxes on the Property when they become due and payable shall result in immediate termination of this Agreement and the Village's obligations hereunder, including but not limited to the obligation to make payments under Section 10.5 hereof.

(c) Failure to timely pay when due all real estate property taxes on the Property and all sales taxes generated within the Property and Project.

(d) A representation or warranty made by the Developer and contained herein that is false, inaccurate or otherwise incorrect, and that is not corrected within thirty (30) days following written notice thereof to the Developer from the Village.

(e) The Developer: (i) becomes insolvent; or (ii) is unable, or admits in writing its inability to pay, its debts as they mature; or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its or their property; or (iv) is adjudicated a bankrupt; or (v) files a petition in bankruptcy or to effect a plan or other arrangement with creditors; or (vi) files an answer to a creditor's petition (admitting the material allegations thereof) for an adjudication of bankruptcy or to effect a plan or other arrangement with creditors; or (vii) applies to a court for the appointment of a receiver for any asset; or (viii) has a receiver or similar official appointed for any of its assets, or, if such receiver or similar official is appointed without the consent of the Developer and such appointment shall not be discharged within sixty (60) days after his appointment or the Developer has not bonded against such receivership or appointment; or (ix) a petition described in (v) is filed against the Developer and remains pending for a period of sixty (60) consecutive days, unless the same has been bonded, and as a result thereof, the Developer ceases to operate; or (x) files any lawsuit, claim and/or legal, equitable or administrative action affecting the Village's ability to collect any such sales tax revenue hereunder.

(f) The filing and unfavorable verdict of any lawsuit by a third party that would affect the generation of sales taxes anticipated by the Village hereunder (both on an annual basis and also over the expected life of the Project).

Upon the occurrence of a default by the Developer as hereinabove set forth, the Village shall be relieved of any and all of its obligations arising hereunder and such obligations on the part of the Village shall be immediately canceled, become null and void and be without any force or effect, subject to the notice and cure provisions set forth in Section 10.12 hereof, unless otherwise provided herein. The sole remedy of the Village for the Developer's default hereunder shall be to terminate this Agreement, effective as of the expiration of the notice and cure period following the date of such default, and to recover from the Developer any unaccrued or other payment(s) which may have been made to the Developer hereunder between the date of such default and the date of termination of this Agreement and any sum for which the Village may be entitled to as reimbursement from the Developer under the terms hereof.

Notwithstanding the foregoing, if the event which gives rise to the Developer's default, independently of this Agreement, constitutes a violation of any ordinance, regulation or rule of the Village, the Village shall have such remedies against the Developer as may be provided for in such ordinance, regulation or rule, or as permitted at law or in equity.

10.9 Assignments. The Developer shall not assign the benefits under this Article Ten of this Agreement to any person or entity without the prior written consent of the Village, said consent not to be unreasonably withheld; provided, however, that the Developer may, without the requirement of any approval or consent by the Village, assign the benefits under this Article Ten of this Agreement and any rights to payment hereunder to a party which is a trustee or nominee for, or a parent or subsidiary of, or has common ownership with, the Developer, as well as to any individual family members or relatives. However, any such assignment that is not subject to the prior consent of the Village may be made only after the Developer gives the Village written notice thereof. No such assignment shall be effective, even if consented to by the Village, unless and until the Assignee acknowledges in writing to the Village that the obligations of the Village to the Developer or any Assignee hereunder are contingent upon certain conditions, covenants and/or the performance of certain obligations on the part of the Developer which such Assignee is willing to assume. Notwithstanding any such assignment and/or assumption of responsibility, the Developer shall remain liable for all of its agreements, covenants and obligations and the performance thereof pursuant to this Agreement.

10.10 Time. Time is of the essence under this Article Ten and all time limits set forth herein are mandatory and cannot be waived except by a lawfully authorized and executed written waiver by the party excusing such timely performance.

10.11 Limitation of Liability. No recourse under or upon any obligation, covenant or condition of Article Ten of this Agreement, or for any claim based thereon or otherwise related thereto, shall be had against the Village, or its officers, officials, agents and/or employees, in any amount or in excess of any specific sum agreed by the Village to be paid to the Developer hereunder, subject to the terms and conditions set forth herein, and no liability, right or claim at law or in equity shall attach to, or shall be incurred by, the Village, or its officers, officials, agents and/or employees, in excess of such amounts and any and all such rights or claims of the Developer against the Village, or its officers, officials, agents and/or employees are hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement by the Village.

10.12 Curing Default. In the event of any default under or violation of this Agreement, the party not in default or violation shall serve written notice upon the party or parties in default or violation, which notice shall be in writing and shall specify the particular violation or default. Except as otherwise provided herein with respect to forfeiture by the Developer of payments due hereunder, as set forth in Sections 10.5 and 10.8 hereof, the parties reserve the right to cure any violation of this Agreement or default hereunder within thirty (30) days following written notice of such default. Except as otherwise provided herein with respect to forfeiture by the Developer of payments due hereunder, if such default is so cured within said thirty (30) day period, all terms and conditions of this Agreement shall remain in full force and effect. If the parties cannot cure a default or violation hereof within said thirty (30) day period, then the other party shall grant a reasonable extension of the cure period, said extension not to exceed ninety (90) days, provided that the party in default or violation is diligently pursuing completion and/or cure and tenders proof of such diligence to the non-defaulting party upon request. The non-defaulting party may, at its sole discretion, grant such additional extensions beyond the aforementioned ninety (90) day extension period as may, in the sole discretion of the non-defaulting party, be reasonably necessary to cure said default. Notwithstanding anything herein to the contrary, the aforesaid time periods shall be extended pursuant to Section 10.13, if applicable.

10.13 Force Majeure. In the event that either party hereto is delayed, hindered or prevented in performing any act required hereunder by reason of any act or occurrence beyond its reasonable control and not the fault of such party, including but not limited to labor disputes, material shortages, governmental restrictions or regulations, civil insurrection, war or other such reason, the party so delayed, hindered or prevented shall, if reasonably practicable hereunder, be excused from performance only for the period of such delay, hindrance and/or prevention and shall immediately tender said performance upon the removal and/or reconciliation of said interference.

10.14 Streamlined Sales Tax Initiative. It is expressly acknowledged and understood by the parties hereto that the payments to the Developer by the Village are based on the current sales tax laws of Illinois which place the incidence of the sales tax on the location where the seller's place of acceptance or point of sale operations are located. It is further acknowledged that the State of Illinois is currently considering the Streamlined Sales Tax Initiative in Illinois which would shift the incidence of sales tax on shipped and delivered items from the location of the seller's point of sale operations to the location where the item is shipped and delivered. It is further understood and agreed that if the Streamlined Sales Tax Initiative is ever adopted by the State of Illinois, or any other legislation or administrative rules are adopted and by reason thereof the Village receives no sales tax revenue from the Property, then and in that event the Village shall be relieved from all obligations to make payments to the Developer under this Agreement and specifically Section 10.5 hereof. However, to the extent that, even under the Streamlined Sales Tax Initiative, the Village receives Sales Tax revenue from the Developer's operations/facilities at the Property during the Term of this Agreement, the Village shall continue to comply with its payment obligations under Section 10.5 as to such Sales Tax revenues actually received from Developer's operations/facilities on the Property under the same terms and conditions as provided in Section 10.5.

ARTICLE ELEVEN
REAL ESTATE CONVEYANCES

11.1 **Necessary Conveyances/Easements-Time to Provide.** At or before the time any permit is issued by the Village for construction of the Project, Developer will convey cross parking and cross-access easements at such locations as approved by the Village. The land to be conveyed by the Village to the Developer shall include a reverter clause providing for automatic reversion of title/reconveyance to Village if Developer is in default under the terms and conditions of this Agreement.

11.2 **Real Estate Procedures.** All real estate transactions provided for herein shall be governed by and shall be closed in accordance with the provisions of **Exhibit 11** attached hereto and hereby made a part hereof. The Party required to make a conveyance shall be considered the "Seller" thereunder and the Party receiving the conveyance shall be considered the "Purchaser" thereunder regardless of whether any monetary payment is due.

ARTICLE TWELVE
ADHERENCE TO VILLAGE CODES AND ORDINANCES

Except as to Code provisions that the Village has granted variations from, all development and construction of the Project shall comply in all respects with the provisions in the Building, Plumbing, Mechanical, Electrical, Storm Water Management, Fire Prevention, Property Maintenance, Zoning and Subdivision Codes of the Village and all other germane codes and ordinances of the Village in effect from time to time at the time of issuance of each building permit during the course of construction of the Project. Furthermore, Developer agrees that the ongoing maintenance and operation of the Project shall comply with all codes and ordinances of the Village, specifically including but not limited to the Village's crime free housing provisions in Chapter 129F of the Tinley Park Municipal Code. Developer has examined and is familiar with all the covenants, conditions, restrictions, building regulations, zoning ordinances, property maintenance regulations, environmental laws (including any law relating to public health, safety and the environment and the amendments, regulations, orders, decrees, permits, licenses or deed restrictions now or hereafter promulgated thereafter) and land use regulations, codes, ordinances, federal, state and local ordinances, and the like, currently in effect.

ARTICLE THIRTEEN
REPRESENTATIONS AND WARRANTIES OF DEVELOPER

Developer represents, warrants and agrees as the basis for the undertakings on its part herein contained that as of the date hereof and until completion of the Project:

13.1 **Organization and Authorization.** Developer is an Illinois limited liability company duly organized and existing under the laws of the State of Illinois, and is authorized to and has the power to enter into, and by proper action has been duly authorized to execute, deliver and perform, this Agreement. Developer is solvent, able to pay its debts as they mature and financially able to perform all the terms of this Agreement. To Developer's knowledge, there are no actions at law or similar proceedings which are pending or threatened against Developer which would result in any material and adverse change to Developer's financial condition, or which would materially and adversely affect the level of Developer's assets as of the date of this Agreement or that would materially and adversely affect the ability of Developer to proceed with the construction and development of the Project.

13.2 Non-Conflict or Breach. Neither the execution and delivery of this Agreement by Developer, the consummation of the transactions contemplated hereby by Developer, nor the fulfillment of or compliance with the terms and conditions of this Agreement by Developer conflicts with or will result in a breach of any of the terms, conditions or provisions of any offerings or disclosure statement made or to be made on behalf of Developer (with Developer's prior written approval), any organizational documents, any restriction, agreement or instrument to which Developer or any of its partners or venturers is now a party or by which Developer or any of its partners or its venturers is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the assets or rights of Developer, any related party or any of its venturers under the terms of any instrument or agreement to which Developer, any related party or any of its partners or venturers is now a party or by which Developer, any related party or any of its venturers is bound.

13.3 Financial Resources. Developer has sufficient financial and economic resources to implement and complete Developer's obligations contained in this Agreement. Developer has clear title to the Property (except that portion owned by the Village) and has or will obtain a firm commitment from a financial institution providing all monies needed through third party financing or alternatively will provide proof of access to sufficient funds pursuant to the terms of Section 8.4 hereof.

13.4 Notice of Violations. The Developer represents and warrants that it has not received any notice from any local, state or federal official that the activities of the Developer with respect to the Property and Project may or will be in violation of any environmental law or regulation. The Developer is not aware of any state or federal claim filed or planned to be filed by any party relating to any violation of any local, state or federal environmental law, regulation or review procedure, and the Developer is not aware of any violation of any local, state or federal law, regulation or review procedure which would give any person a valid claim under any state or federal environmental statute.

ARTICLE FOURTEEN
REPRESENTATIONS AND WARRANTIES OF THE VILLAGE

The Village represents, warrants and agrees as the basis for the undertakings on its part herein contained that:

14.1 **Organization and Authority.** The Village is a municipal corporation duly organized and validly existing under the law of the State of Illinois, is a home rule unit of government, and has all requisite corporate power and authority to enter into this Agreement.

14.2 **Authorization.** The execution, delivery and the performance of this Agreement and the consummation by the Village of the transactions provided for herein and the compliance with the provisions of this Agreement (i) have been duly authorized by all necessary corporate action on the part of the Village, (ii) require no other consents, approvals or authorizations on the part of the Village in connection with the Village's execution and delivery of this Agreement, and (iii) shall not, by lapse of time, giving of notice or otherwise result in any breach of any term, condition or provision of any indenture, agreement or other instrument to which the Village is subject.

14.3 **Litigation.** To the best of the Village's knowledge, there are no proceedings pending or threatened against or affecting the Village or the TIF District in any court or before any governmental authority which involves the possibility of materially or adversely affecting the ability of the Village to perform its obligations under this Agreement.

ARTICLE FIFTEEN
INSURANCE

15.1 The Developer, and any successor in interest to the Developer, shall until construction of the Project is complete, obtain or cause to be obtained and continuously maintain insurance on the Project and, from time to time at the request of the Village, furnish proof to the Village that the premiums for such insurance have been paid and the insurance is in effect. The insurance coverage described below is the minimum insurance coverage that the Developer must obtain and continuously maintain, provided that the Developer shall obtain the insurance described in clause (i) below prior to the commencement of construction of the Project (excluding excavation and footings):

(i) Builder's risk insurance, written on the so-called "Builder's Risk - Completed Value Basis", in an amount equal to one hundred percent (100%) of the insurable value of the Project at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy.

(ii) As to all work other than the construction of the Public Improvements, comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's/Contractor's Policy naming the Village as an additional insured, with limits against bodily injury and property damage of not less than $2,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis, and not less than $5,000,000 aggregate. As to the construction and installation of Village Improvements, the per occurrence limit shall be $5,000,000.

(iii) Workers compensation insurance, with statutory coverage.

15.2 All insurance required in this Article shall be obtained and continuously maintained in responsible insurance companies selected by the Developer or its successors and approved by the Village that are authorized under the laws of the State to assume the risks covered by such policies. Unless otherwise provided in this Article, each policy must contain a provision that the insurer will not cancel nor materially modify the policy without giving written notice to the insured and the Village at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Developer, or its successor or assign, must renew the existing policy or replace the policy with another policy conforming to the provisions of this Article. In lieu of separate policies, the Developer or its successor or assign, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

ARTICLE SIXTEEN
INDEMNIFICATION

16.1 The Developer releases from and covenants and agrees that the Village, its governing body members, officers, agents, including independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Article, collectively the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project or the Property or resulting from any action by the Developer and its officers, employees, agents and/or contractors, to the extent not attributable to the gross negligence or willful misconduct of the Indemnified Parties.

16.2 Except for gross negligence or willful misconduct of the Indemnified Parties, the Developer agrees to indemnify the Indemnified Parties, now and forever, and further agree to hold the aforesaid harmless from any claims, demands, suits, costs, expenses (including reasonable attorney's fees), actions or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project.

16.3 The Village makes no warranties or representations regarding, nor does it indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Property or anywhere within the TIF District of any toxic or hazardous substances of wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. §§ 961-9657, as amended) (collectively, the "Hazardous Substances"). The foregoing disclaimer relates to any Hazardous Substance allegedly generated, treated, stored, released or disposed of, or otherwise placed, deposited in or located on or in the vicinity of the Property or within the TIF District, as well as any activity claimed to have been undertaken on or in the vicinity of the Property that would cause or contribute to causing (1) the Agreement to become a treatment, storage or disposal facility within the meaning of, or otherwise bring the Development Agreement within the ambit of, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. §691 et. seq., or any similar state law or local ordinance, (2) a release or threatened release of toxic or hazardous wastes or substances, pollutants or contaminants, from the Property within the meaning of, or otherwise bring any Property within the ambit of, CERCLA, or any similar state law or local ordinance, or (3) the discharge of pollutants or effluents into any water source or system, the dredging or filling of any waters or the discharge into the air of any emissions, that would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. §1251 et. seq. or any similar state law or local ordinance. Further, the Village makes no warranties or representations regarding, nor does the Village indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Project or anywhere within the TIF District of any substances or conditions in or on the Property that may support a claim or cause of action under RCRA, CERCLA, or any other federal, state or local environmental statutes, regulations, ordinances or other environmental regulatory requirements. The Village makes no representations or warranties regarding the existence of any above ground or underground tanks in or about the Property, or whether any above or underground tanks have been located under, in or about the Property and have subsequently been removed or filled. As far as any properties to be conveyed by the Village to the Developer, the Developer agrees to accept any such conveyance on an "as-is" basis and waives and releases any or all claims Developer may have against the Village for any violation of any federal, state or local environmental law or regulation.

16.4 The Developer waives any claims against the Village, and its members and boards, for indemnification, contribution, reimbursement or other payments arising under federal, state and common law or relating to the environmental condition of the land comprising the Property.

ARTICLE SEVENTEEN
EVENTS OF DEFAULT AND REMEDIES

17.1 Developer Events of Default. The following shall be Events of Default with respect to this Agreement:

(a) If any material representation made by Developer in this Agreement, or in any certificate, notice, demand or request made by a party hereto, in writing and delivered to the Village pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made; provided, however, that such default shall constitute an Event of Default only if Developer does not remedy the default within sixty (60) days after written notice from the Village.

(b) Default by Developer for a period of sixty (60) days after written notice thereof in the performance or breach of any material covenant contained in this Agreement, or any other agreement, financing or otherwise, concerning the existence, structure or financial condition of Developer and/or the Project and Property; provided, however, that such default or breach shall not constitute an Event of Default if such default cannot be cured within said sixty (60) days and Developer, within said sixty (60) days, initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within ninety (90) days after such notice.

(c) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days.

(d) The commencement by Developer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by Developer to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Developer or of any substantial part of the Property, or the making by any such entity of any assignment for the benefit of creditors or the failure of Developer generally to pay such entity's debts as such debts become due or the taking of action by Developer in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others and not dismissed within sixty (60) consecutive days.

(e) Failure to have funds to meet Developer's obligations; provided, however, that such default shall constitute an Event of Default only if Developer does not remedy the default within sixty (60) days after written notice from the Village.

(f) Developer abandons the Project on the Property. Abandonment shall be deemed to have occurred when work stops on the Property for more than sixty (60) days for any reason other than: (i) Uncontrollable Circumstances or (ii) if Developer is ahead of its planned construction schedule.

(g) Developer materially fails to comply with applicable governmental codes and regulations in relation to the construction and maintenance of the buildings contemplated by this Agreement; provided, however, that such default shall constitute an Event of Default only if the Developer does not, within sixty (60) days after written notice from the Village, remedy the default.

17.2 <u>Village Events of Default.</u> The following shall be Events of Default with respect to this Agreement:

(a) if any representation made by the Village in this Agreement, or in any certificate, notice, demand or request made by a Party hereto, in writing and delivered to Developer pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made; provided, however, that such default shall constitute an Event of Default only if the Village does not remedy the default within sixty (60) days after written notice from Developer.

(b) default by the Village in the performance or breach of any material covenant contained in this Agreement concerning the existence, structure or financial condition of the Village; provided, however, that such default or breach shall constitute an Event of Default only if the Village does not, within sixty (60) days after written notice from Developer, initiate and diligently pursue appropriate measures to remedy the default, or if the Village fails to cure such default within ninety (90) days of written notice of such default.

(c) default by the Village in the performance or breach of any material covenant, warranty or obligation contained in this Agreement; provided, however, that such default shall not constitute an Event of Default if the Village, commences cure within sixty (60) days after written notice from Developer and in any event cures such default within ninety (90) days after such notice, subject to Uncontrollable Circumstances.

17.3 Remedies for Default. In the case of an Event of Default hereunder:

(a) The defaulting party shall, upon written notice (in accordance with the provisions of Section 18.3 of this Agreement) from the non-defaulting party, take immediate action to cure or remedy such Event of Default. If, in such case, any monetary Event of Default is not cured within thirty (30) days, or if in the case of a non-monetary Event of Default, action is not taken or not diligently pursued, or if action is taken and diligently pursued but such Event of Default or breach shall not be cured or remedied within a reasonable time, but in no event more than ninety (90) additional days after receipt of such notice, unless extended by mutual agreement, the non-defaulting party may institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such default or breach, including, but not limited to, proceedings to compel specific performance of the defaulting party's obligations under this Agreement.

(b) In case the Village shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason, then, and in every such case, Developer and the Village shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of Developer and the Village shall continue as though no such proceedings had been taken.

(c) In the case of an Event of Default by Developer, and its failure to cure such default after due notice and within the time frames provided for in this Agreement, in addition to any other remedies at law or in equity, the Village shall be relieved of its obligations under this Agreement, including but not limited to its obligations to accord Developer, "exclusive" developer status as set forth in Article Five, its obligation to pay any incentive amounts to the Developer and its obligations to convey any land to Developer.

(d) In the case of an Event of Default by the Village and its failure to cure such default after due notice and within the time period provided for in this Agreement, in addition to any other remedies at law or in equity, the Developer shall be relieved of its obligations under this Agreement if it so elects, and the Developer shall have the right, if it so elects, to terminate this Agreement.

(e) In the case of an Event of Default by the Developer occurring prior to the commencement of construction (only), the Village agrees that it shall have no remedy of specific performance to force the Developer to commence construction.

17.4 Reimbursement of Village for Legal and Other Fees and Expenses

A. To Effective Date of Agreement

Upon the execution of this Agreement, the Developer shall promptly reimburse the Village for the following expenses incurred on or after January 1, 2012 in the preparation and review of this Agreement, and any other documents relating to the Subject Property:

(1) all attorneys' fees incurred by the Village; and

(2) miscellaneous Village expenses, such as legal publication costs, recording fees and copying expenses.

The Village shall provide the Developer with an estimate of said costs and expenses, subject to reconciliation thereafter.

B. From and After Effective Date of Agreement

Except as provided in the paragraph immediately following this paragraph, upon demand by the Village made by and through its President, the Developer from time to time shall promptly reimburse the Village for all reasonable out-of-pocket costs and expenses incurred by the Village in the adoption of this Agreement, and in connection with the proposed improvements, including reasonable attorneys' fees and out-of-pocket costs and expenses involving various and sundry matters, including but not limited to preparation and publication, if any, of all notices, resolutions, ordinances and other documents required hereunder. The Developer shall further reimburse the Village for all reasonable out-of-pocket costs and expenses incurred by the Village in the administration of this Agreement if caused by, or attributable, to the actions of the Developer or any of its officers, employees, officials and/or agents.

Such costs and expenses incurred by the Village in the administration of this Agreement shall be evidenced to the Developer, upon its request, by a sworn statement of the Village, and such costs and expenses may be further confirmed by the Developer at its option from additional documents designated by the Village from time to time as relevant to determining such costs and expenses.

In the event that any third party or parties institutes any legal proceedings against the Developer and/or the Village, which relate to the terms of this Agreement, then, in that event, the Developer shall indemnify and hold harmless the Village from any and all such proceedings. Further, the Developer, upon receiving notice from the Village of such legal proceedings, shall assume, fully and vigorously, the entire defense of such lawsuit or proceedings and any and all costs and expenses of whatever nature relating thereto; provided, however, that the Developer may not at any time settle or compromise such proceedings without the Village's consent and even then only so long as such settlement or compromise does not involve an admission of wrongdoing on the part of the Village, nor any liability on the part of the Village, monetary or otherwise.

If the Village, in its sole discretion, determines that there is, or may probably be, a conflict of interest between the Village and the Developer on an issue of material importance to the Village, or which may reasonably have a potentially substantial adverse effect on the Village, then the Village shall have the option of being represented by its own legal counsel. In the event that the Village exercises such option, then the Developer shall reimburse the Village from time to time on written demand from the Village President and notice of the amount due for any and all reasonable out-of-pocket costs and expenses, including but not limited to court costs, reasonable attorneys' fees, witnesses' fees and/or other litigation expenses incurred by the Village in connection therewith.

In the event that the Village institutes legal proceedings against the Developer for a breach of this Agreement, or any term or condition hereof, and secures a judgment in its favor, the court having jurisdiction thereof shall determine and include in any judgment against the Developer all costs and expenses of such legal proceedings incurred by the Village, including but not limited to court costs, reasonable attorneys' fees and witnesses' fees, incurred in connection therewith. Either party may, in its sole discretion, appeal any judgment rendered in relation thereto.

17.5 **No Waiver by Delay or Otherwise.** Any delay by either Party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under this Agreement shall not operate to act as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that neither Party should be deprived of or limited in the exercise of the remedies provided in this Agreement because of concepts of waiver, laches or otherwise); nor shall any waiver in fact made with respect to any specific Event of Default be considered or treated as a waiver of the rights by the waiving Party of any future Event of Default hereunder, except to the extent specifically waived in writing. No waiver made with respect to the performance, nor the manner or time thereof, of any obligation or any condition under the Agreement shall be considered a waiver of any rights except if expressly waived in writing.

17.6 **Rights and Remedies Cumulative.** The rights and remedies of the Parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the exercise of any one or more of such remedies shall not preclude the exercise by such Party, at that time or different times, of any other such remedies for the same Event of Default.

ARTICLE EIGHTEEN
EQUAL EMPLOYMENT OPPORTUNITY

18.1 **No Discrimination.** Developer will comply with all federal, state and local laws relating to equal employment opportunity.

18.2 Advertisements. Developer will, in all solicitations or advertisements for employees placed by or on behalf of Developer, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

18.3 Contractors. Any contracts made by Developer with any general contractor, agent, employee, independent contractor or any other Person in connection with the Project shall contain language similar to that recited in Sections 17.1 and 17.2 above and be in full compliance with all Village codes and ordinances and any applicable federal, state, and local laws and ordinances.

ARTICLE NINETEEN
MISCELLANEOUS PROVISIONS

19.1 TIF Provisions. A delineation of the TIF qualified costs for the Project are set forth on **Exhibit 8** attached hereto and hereby made a part hereof, and the Village shall not reimburse the Developer for any costs not listed on said **Exhibit 8**. Attached hereto and hereby made a part hereof as **Exhibit 13** is the analysis of the Project and projected TIF revenue. Attached hererto and hereby made a part hereof as **Exhibit 14** is the Developer's Pro Forma estimate of costs to acquire and construct the Property and the estimated revenue to be generated thereform.

19.2 Cancellation. In the event Developer or the Village shall be prohibited, in any material respect, from performing covenants and agreements or enjoying the rights and privileges herein contained, or contained in the Redevelopment Plan, including Developer's duty to build the Project, by the order of any court of competent jurisdiction, or in the event that all or any part of the Act or any ordinance adopted by the Village in connection with the Project, shall be declared invalid or unconstitutional, in whole or in part, by a final decision of a court of competent jurisdiction and such declaration shall materially affect the Redevelopment Plan or the covenants and agreements or rights and privileges of Developer or the Village, then and in any such event, the Party so materially affected may, at its election, cancel or terminate this Agreement in whole (or in part with respect to that portion of the Project materially affected) by giving written notice thereof to the other within sixty (60) days after such final decision or amendment. If the Village terminates this Agreement pursuant to this Section 19.2, to the extent it is then appropriate, the Village, at its option, may also terminate its duties, obligation and liability under all or any related documents and agreements provided. Further, the cancellation or termination of this Agreement shall have no effect on the authorizations granted to Developer for buildings permitted and under construction to the extent permitted by said Court order; and the cancellation or termination of this Agreement shall have no effect on perpetual easements contained in any recorded, properly executed document.

19.3 Notices. Except for notices required under Section 8.10, all notices, certificates, approvals, consents or other communications desired or required to be given hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service, (b) electronic communications, whether by telex, telegram or telecopy, (c) overnight courier, (d) registered or certified first class mail, postage prepaid, return receipt requested, or (e) priority mail with delivery confirmation.

If to Village:	Village President Village of Tinley Park 16250 S. Oak Park Avenue Tinley Park, Illinois 60477
With a copy to:	Village Manager Village of Tinley Park 16250 S. Oak Park Avenue Tinley Park, Illinois 60477
And:	Klein, Thorpe and Jenkins, Ltd. 20 North Wacker Drive, Suite 1660 Chicago, Illinois 60606-2903 Attention: Terrence M. Barnicle
If to Developer:	South Street Development, LLC 6659 South Street Tinley Park, IL 60477 Attn: Robert Hansen
With a copy to:	Joe Rizza 8100 W. 159th Street Orland Park, IL 60462
With a copy to:	David Sosin Sosin & Arnold Ltd. Suite 205, 9501 W. 144th Place Orland Park, IL 60462

The Parties, by notice hereunder, may designate any further or different addresses to which subsequent notices, certificates, approvals, consents or other communications shall be sent. Any notice, demand or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier, and any notices, demands or requests sent pursuant to clause (d) shall be deemed received forty-eight (48) hours following deposit in the mail.

19.4 Time of the Essence. Time is of the essence of this Agreement.

19.5 Integration. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the Parties.

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

19.7 Recordation of Agreement. The Parties agree to record a memorandum of this Agreement, executed by the then current owners of the Property in the appropriate land or governmental records. Developer shall pay the recording charges.

19.8 Severability. If any provision of this Agreement, or any Section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held to be invalid, the remainder of this Agreement shall be construed as if such invalid part were never included herein, and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

19.9 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

19.10 Entire Contract and Amendments. This Agreement (together with the exhibits attached hereto) is the entire contract between the Village and Developer relating to the subject matter hereof, supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the Village and Developer (specifically including but not limited to the Preliminary Development Agreement for the Property approved by the Village on 11/27/07), and may not be modified or amended except by a written instrument executed by the Parties hereto.

19.11 Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other person other than the Village and Developer, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to either the Village or Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the Village or Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

19.12 Waiver. Any Party to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

19.13 Cooperation and Further Assurances. The Village and Developer each covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better clarifying, assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the Village or Developer or other appropriate persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

19.14 Successors in Interest. At any time, the Developer may assign its rights or obligations under this Agreement for the purpose of obtaining financing for the Project or any portion thereof, or to any entity in which the Developer owns a controlling interest. Developer may not otherwise assign its rights or obligations under this Agreement to any other person or entity without prior written consent of the Village.

19.15 No Joint Venture, Agency or Partnership Created. Nothing in this Agreement, or any actions of the Parties to this Agreement, shall be construed by the Parties or any third person to create the relationship of a partnership, agency or joint venture between or among such Parties.

19.16 No Personal Liability of Officials of Village or Developer. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of the Corporate Authorities, Village Manager, any elected official, officer, partner, member, director, agent, employee or attorney of the Village or Developer, in his or her individual capacity, and no elected official, officer, partner, member, director, agent, employee or attorney of the Village or Developer shall be liable personally under this Agreement or be subject to any personal liability or accountability by reason of or in connection with or arising out of the execution, delivery and performance of this Agreement, or any failure in that connection.

19.17 Repealer. To the extent that any ordinance, resolution, rule, order or provision of the Village's code of ordinances, or any part thereof, is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling, to the extent lawful.

19.18 Term. This Agreement shall remain in full force and effect until the TIF District expires; provided, however, that the Developer's construction obligations hereunder shall terminate pursuant to certificates of completion issued by the Village.

19.19 Estoppel Certificates. Each of the Parties hereto agrees to provide the other, upon not less than ten (10) business days prior request, a certificate ("Estoppel Certificate") certifying that this Agreement is in full force and effect (unless such is not the case, in which such Parties shall specify the basis for such claim), that the requesting Party is not in default of any term, provision or condition of this Agreement beyond any applicable notice and cure provision (or specifying each such claimed default) and certifying such other matters reasonably requested by the requesting Party. If either Party fails to comply with this provision within the time limit specified, it shall be deemed to have appointed the other as its attorney-in-fact for execution of same on its behalf as to that specific request only.

19.20 Assignment. This Agreement and the rights and obligations hereunder, may not be assigned by Developer prior to completion of the Project unless the Village in the exercise of its sole and absolute discretion consents in writing to such assignment.

19.21 Collateral Assignment. It is understood and acknowledged that Developer intends to obtain construction financing (the "Construction Loan") for the Project and that the construction lender ("Lender") typically requires a collateral assignment of any relevant development agreement. If such financing is obtained and if the Lender requires such a collateral assignment, the Village hereby consents to the assignment of this Agreement to the Lender as collateral security for the Construction Loan and also if required by the Lender further consents to the assignment of the TIF Note (see Exhibit 12) to the Lender as further collateral security.

In the event that any Lender is to succeed to Developer's interest in the Property, or any portion thereof, pursuant to the collateral assignment and in conjunction with such succession accepts an assignment of Developer's interest in this Agreement, the Village shall recognize such party as the successor in interest to Developer with respect to the Property or the portion acquired by such Lender. However, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if the Lender accepts an assignment of Developer's interest under this Agreement, it automatically accepts not only the Developer's rights hereunder but also all of Developer's obligations hereunder. However, if such Lender does not expressly accept an assignment of Developer's interest hereunder, such Lender shall be entitled to no rights and benefits under this Agreement. The foregoing (Lender's lack of expressly accepting an assignment) shall apply whether the succession is by foreclosure or deed in lieu of foreclosure or any other remedy. Under all such circumstances, the Property may only be developed in accordance with this Agreement.

With respect to a mortgage to which the Village has not consented in writing, if that mortgagee or any other party shall succeed to Developer's interest in the Property or any portion of it and in conjunction with such succession accepts an assignment of Developer's interest in the Property, the Village shall not be obligated to recognize such party as the successor in interest to Developer under this Agreement. Unless and until the Village accepts, in writing, such Party as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement. The foregoing shall apply whether the succession is by foreclosure or deed in lieu of foreclosure or any other remedy. The exercise of any such remedy and the transfer of title to the Property or any portion of it to a mortgagee or any other party in connection with such exercise shall not be subject to the consent of the Village).

Neither Developer's making of a collateral assignment of its interest under this Agreement to a Lender, nor the exercise by a Lender of any of its remedies, shall constitute an acceptance by such Lender or any other party of such assignment. Such Lender or other party shall not be deemed to have accepted such assignment until such time as such Lender or other party has executed and delivered to the Village a written acceptance of such assignment. In the absence of such acceptance, such Lender or other party shall have no rights or benefits under this Agreement.

For so long as the Property is the subject of a TIF District, neither the Property nor any improvements on it may be collaterally assigned or otherwise encumbered for any purpose other than to finance the ownership and development of the Project pursuant to this Agreement.

If a default by Developer under this Agreement occurs and Developer does not cure it within the cure period that applies to Developer under this Agreement, then the Village shall promptly give the Lender, a notice of expiration of such cure period (the "Cure Period Expiration Notice"). The Lender shall have the right, but not the duty, to perform any obligation of Developer under this Agreement and to cure any default. Such Lender shall have thirty days after receipt of the Cure Period Expiration Notice to cure such default. However, with respect to any default by Developer, the cure of which requires the Lender to possess and control the Property, if such Lender undertakes, by written notice to the Village within thirty days after receipt of the Cure Period Expiration Notice, to exercise reasonable efforts to cure such default, such Lender's cure period shall continue for such additional time as may reasonably be required to obtain possession and control of the Property and thereafter cure the default within one hundred and twenty days. Such Lender may abandon exercise of its cure rights without liability to the Village or any other party provided it gives the Village express written notice that it is so abandoning exercise of its cure rights. The Village shall accept cure by such Lender in fulfillment of Developer's obligations, for the account of Developer and with the same force and effect as if performed by Developer.

It is understood and acknowledged that, irrespective of any Lender remedies, the Property may not be developed, redeveloped, completed or maintained except in accordance with this Agreement. This restriction shall attach to and run with the land whether or not a Lender or any other entity holding an interest in the Property accepts the assignment of this Agreement. Notwithstanding anything in this Agreement or any other document to the contrary and irrespective of the underlying zoning of the Property, it is the intent of the Parties that any successor in interest to Developer shall have only the development rights accorded by this Agreement and any approvals or permits issued pursuant to it. Further, each and every covenant, dependent or independent, and each and every obligation of this Agreement shall encumber such development.

Moreover, if any such Lender, mortgagee or other party thereafter seeks to sell, transfer, assign, or otherwise dispose of the Property and/or the Project, any such sale, transfer, assignment or disposition shall be governed by the provisions of Section 18.20 above.

ARTICLE TWENTY
EFFECTIVENESS

The Effective Date for this Agreement shall be the day on which this Agreement is fully executed pursuant to a duly enacted Village ordinance authorizing the execution of and adoption of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on or as of the day and year first above written.

ATTEST:

By: ______________________
Village Clerk

Village of Tinley Park,
an Illinois municipal corporation

By: ______________________
Village President

DEVELOPER:
South Street Development, LLC, an Illinois limited liability company

ATTEST:

By: ______________________
Its: Manager/Member

____

By: ______________________
Its: Member

ACKNOWLEDGMENTS

State of Illinois)
) SS
County of Cook))

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Edward Zabrocki, personally known to me to be the Village President of the Village of Tinley Park, and Patrick Rea, personally known to me to be the Village Clerk of said municipal 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 Village President and Village Clerk, they signed and delivered the said instrument and caused the corporate seal of said municipal corporation to be affixed thereto, pursuant to authority given by the Village Board of Trustees of said municipal corporation, as their free and voluntary act, and as the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this 17 day of July, 2012.

Laura J Godette

Notary Public

OFFICIAL SEAL
LAURA J GODETTE
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:09/14/15

State of Illinois)
) SS
County of Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Robert Hansen, personally known to me to be the Manager/Member of South Street Development, LLC, and Joseph Rizza, personally known to me to be a Member of said Illinois limited liability company, 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 Manager/Member and Member, they signed and delivered the said instrument, pursuant to authority given by the Members of said Illinois limited liability company, as their free and voluntary act, and as the free and voluntary act and deed of said Illinois limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this 19th day of July, 2012.

OFFICIAL SEAL
DANIEL J MCMILLAN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:08/01/16

Daniel J McMillan

Notary Public

INDEX OF EXHIBITS

EXHIBIT 1

LEGAL DESCRIPTION OF PROPERTY

Exhibit 1 Legal Description of Property

PROPERTY 1

Former meat locker property – 6659 South Street

Parcel A

Lot 3 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois

PIN 28-30-411-012

Parcel B

Lot 4 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois

PIN 28-30-411-011

PROPERTY 2

Former glass company property – 6665 South Street

Lot 5 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois

PIN 28-30-411-010

PROPERTY 3

Former Wille parking lot – 6669-6679 South Street

Parcel A

Lot 6 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois

PIN 28-30-411-009

Parcel B

Lot 7 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois

PIN 28-30-411-008

PROPERTY 4

Former Bechstein/Rice home – 6683 South Street

Lot 8 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois

PIN 28-30-411-007

PROPERTY 5

Former funeral home garage/Stark property – 6703 South Street and 6726 174th Street

Parcel A

Lot 9 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois (excluding the northwesterly 61 feet thereof)

PIN 28-30-411-025

Parcel B

The northwesterly 61 feet of Lot 9 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois

PIN 28-30-411-026

Parcel C

That part of the Southeast ¼ of Section 30, Township 36 North, Range 13, East of the Third Principal Meridian, more particularly described as follows: commencing at the southeast corner of block 1 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian; thence South along the East line extended 196.00 feet more or less, to the North line of Market Street; thence westerly along the said North line of Market Street, a distance of 223.70 feet for a Point of Beginning; thence continuing westerly a distance of 149.00 feet more or less to the southwest corner of Lot 10 in said Block 9 in said Village of Bremen; thence northeasterly along the south line of said Block 9, a distance of 169.67 feet; thence South 01 Degrees 31 Minutes 36 Seconds West a distance of 78.07 feet more or less to the Point of Beginning, all in Cook County, Illinois (except the East 40.00 feet thereof).

PIN 28-30-411-027

PROPERTY 6

Former Fred Meyer/Roecker home – 6709 South Street

Lot 10 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois

PIN 28-30-411-005

PROPERTY 7

Former funeral home property – 6717 South Street and 6730 174th Street

Parcel A

Lots 11 and 12 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois (excluding the northwesterly 61 feet of Lot 12 thereof)

PIN 28-30-411-024

Parcel B

Northwesterly 61 feet of Lot 12 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois

PIN 28-30-411-023

PROPERTY 8

Parcel A

Former "Andres/Nielsen home"/Rauch property – 6725-6727 South Street

> Lot 13, Lot 14, and the easterly 5 feet of Lot 15 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois
>
> PIN 28-30-411-017

Parcel B

Former Depot Donut/Whistle Stop – 17355-17363 67th Court

> Lot 15 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois (excluding the easterly 5 feet thereof)
>
> PIN 28-30-411-015

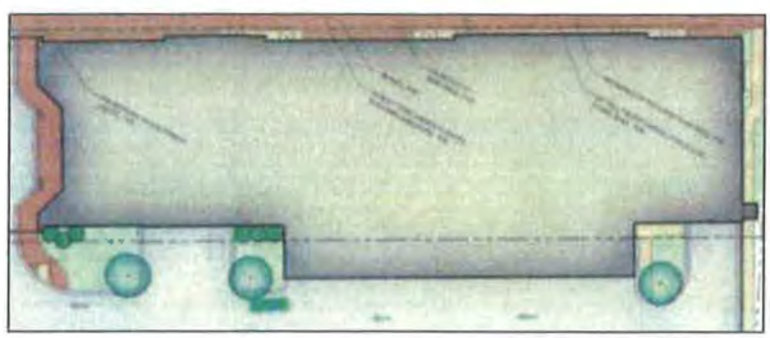
EXHIBIT 2

SITE PLAN

EXHIBIT 2

SITE PLAN

Phase 1



Phase 2 Garage

EXHIBIT 3

BUILDING ELEVATIONS

EXHIBIT 3

BUILDING ELEVATIONS

ON-SITE MOCK UP PHOTO

RENDERED 174TH STREET ELEVATION

DETAIL ELEVATION

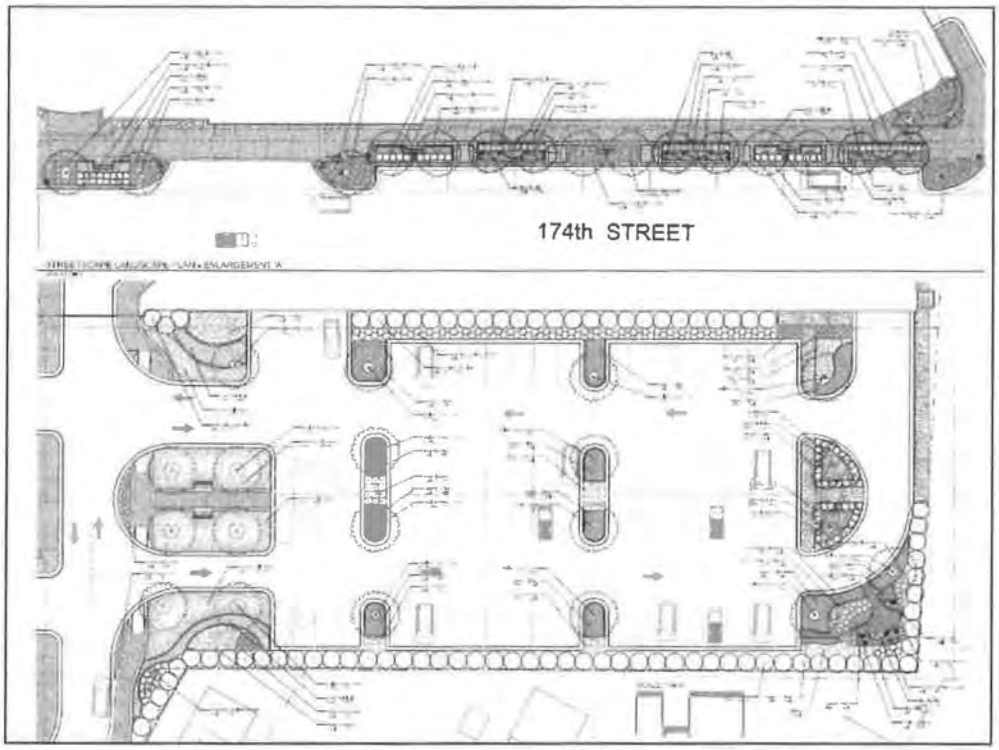
RENDERED SOUTH STREET ELEVATION

EXHIBIT 4

LANDSCAPE PLAN

EXHIBIT 4

LANDSCAPE PLAN



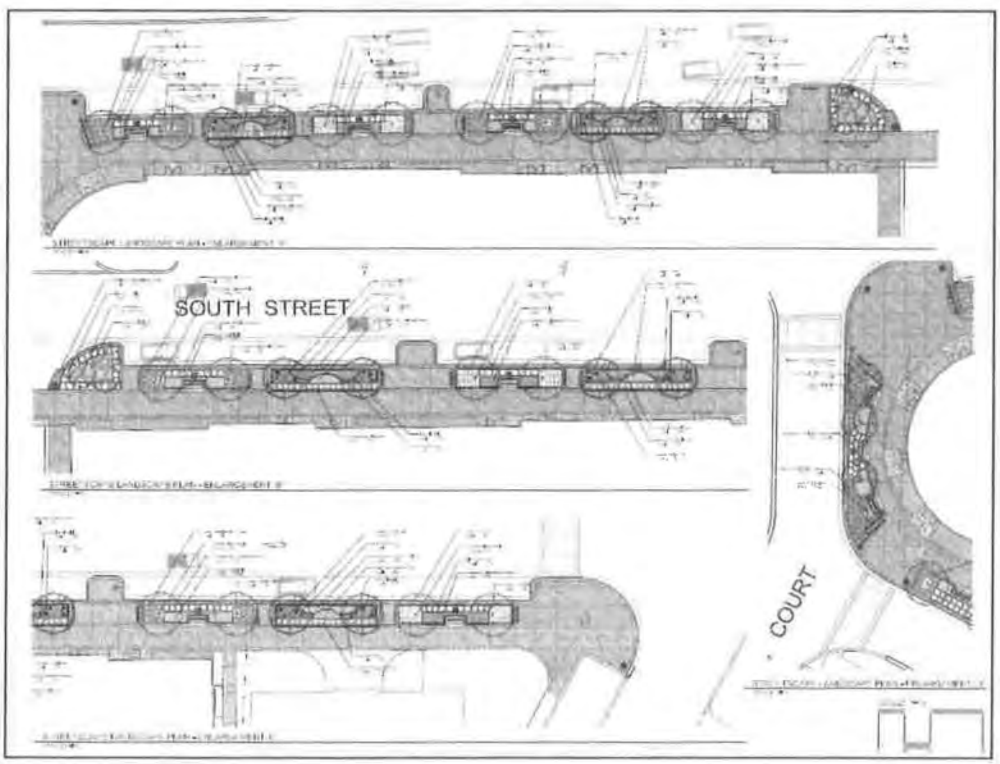


EXHIBIT 5

LIGHTING PLAN

EXHIBIT 5

LIGHTING PLAN

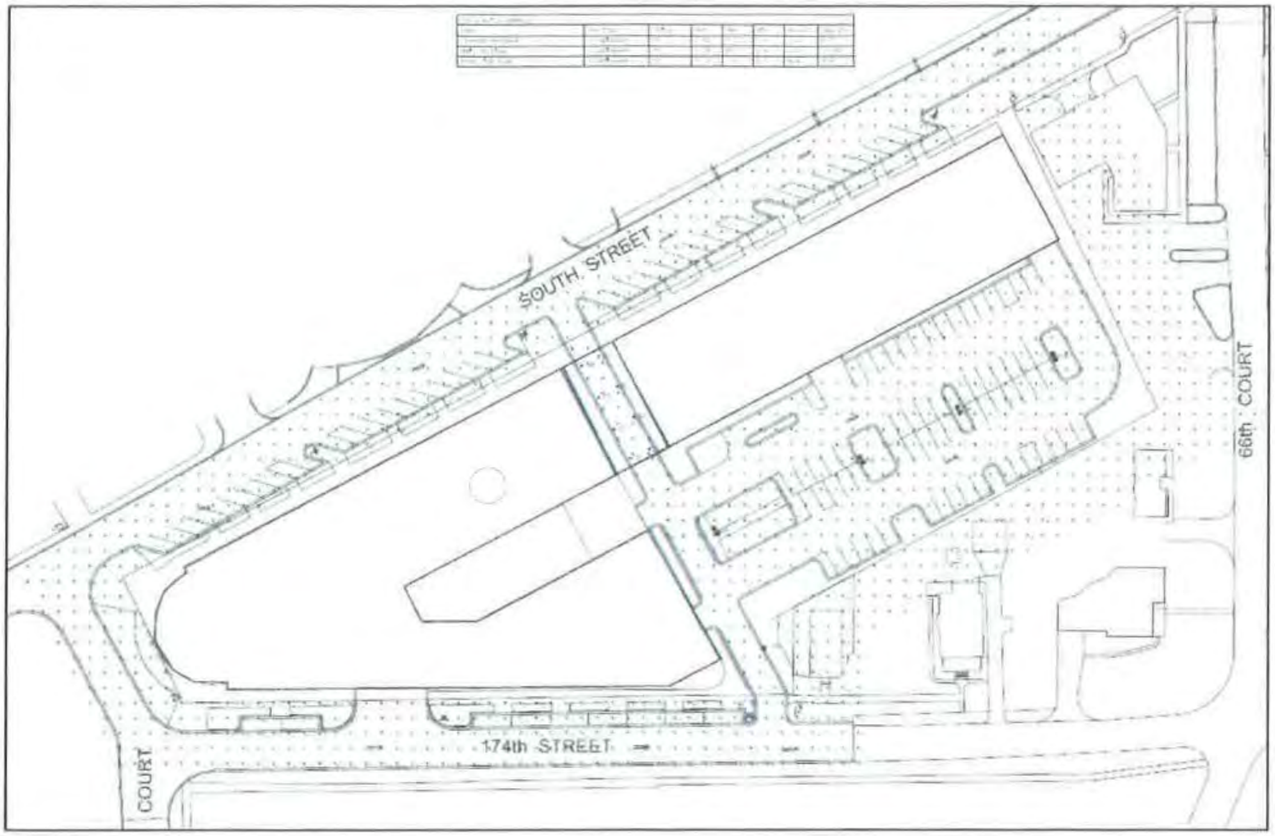


EXHIBIT 6

PARKING PLAN

Future maintenance responsibilities of the Village upon acceptance of the Public Parking area (which is depicted on the Site Plan) by the Village:

1) Asphalt parking lot maintenance, including striping;
2) Curb for the asphalt parking lot maintenance;
3) Snow plowing of the parking lot area, not including the sidewalks or patio areas;
4) Parking lighting matching the Village standard utilized along Oak Park Avenue, including poles and fixtures (such lighting poles and fixtures to be installed by Developer), not including any building lighting fixtures;
5) Parking lot signage;
6) Storm, sanitary and water lines in the public parking areas.

Further, Village agrees to provide, at its cost, asphalt maintenance, curb maintenance and snow plowing of the private driveway owned by Developer and as shown on the Site Plan pursuant to an easement to be recorded, such work to be provided as the agent of Developer and for a fee of $1.00 per year.

Developer or Residential/Commercial Association control and responsibility upon acceptance of the Public Parking area by the Village:

1) Snow plowing of the underground residential parking ramp (if applicable), sidewalks and patio areas;
2) Landscape maintenance for the entire Project, including the public parking area;
3) Retaining walls maintenance;
4) Building lighting package;
5) Dumpster enclosure and refuse services.

EXHIBIT 7

Intentionally Omitted

EXHIBIT 8

PUBLIC IMPROVEMENTS

A. Village Benefits - Public Improvements on Village Property

1	Topsoil (1" Deep)	3116	SY	$ 7,790.00	Private
2	Fine Grading	5067	SY	$ 6,333.75	Public
3	1.5" BIT Surface (Superpave)	9936	SY	$ 73,029.60	Public
4	3" BIT Base (Superpave)	9936	SY	$ 151,524.40	Public
5	8" Granular Base Course	1000	BY	$ 10,450.00	Public
6	9" Granular Base Course	3706	SY	$ 24,845.90	Public
7	B-6.12 Curb and Gutter	4757	LF	$ 52,327.00	Public
8	Backfill Curb	4757	LF	$ 10,703.00	Public
9	P.P.C. Sidewalk	1950	SY	$ 97,500.00	Public
10	Bituminous Pavement Grinding	5250	SY	$ 23,625.00	Public
11	Thermoplastic Pavement Line	2850	LF	$ 6,412.50	Public
12	Street Light	4	EA	$ 36,000.00	Public
13	Ornamental Street Lights	12	EA	$ 90,000.00	Public
14	Relocate Electric Utilities	1	LS	$ 650,000.00	Public
15	48" Catch Basin	5	EA	$ 6,750.00	Public
16	12" RCP Storm Sewer	999	LF	$ 19,980.00	Public
17	Removal & Disposal of Existing Concrete	584	SY	$ 2,044.00	Public
18	Roof Top Storm Water Managements	1	EA	$ 290,000.00	Public
19	24" Catch Basin	3	EA	$ 1,830.00	Public
20	Landscaping - Standard in R.O.W.	N/A	LS	$ 150,000.00	Public
21	96" Manhole	1	EA	$ 5,000.00	Public
22	Haul Off Excavation	25000	CY	$ 300,000.00	Public
23	Bollards	27	EA	$ 108,000.00	Public
24	Street Signs	6	EA	$ 1,950.00	Public
25	6" Ductile Iron Water Main	160	LF	$ 6,720.00	Public
26	Fire Hydrant	5	EA	$ 11,000.00	Private
27	12" PVC Sanitary Sewer SDR 26	400	LF	$ 16,800.00	Private
28	Pressure Connection	1	LS	$ 4,500.00	Private
29	Connection to Exisitng Sanitary	2	LS	$ 2,000.00	Private
30	6"Valve	1	LS	$ 1,800.00	Private
31	Testing for Acceptance	1	EA	$ 1,100.00	Private
32	48" Sanitary Manhole	6	EA	$ 15,600.00	Private
33	18" RCP Storm Sewer Signs	500	LF	$ 14,500.00	Public
34	Connection to Existing Storm Sewer	3	EA	$ 12,000.00	Private
35	Trench Backfill	2059	EA	$ 34,179.40	Public

36	18" RCP Storm Sewer	500	EA	$ 29,500.00		Public
37	48" Manhole	10	EA	$ 26,000.00		Public
38	Amenities/Landscaping	NA	LS	$ 162,000.00		Public
39	Land Acquisition		LS			
	A. Stark Parcel		PRE-PAID	$ 450,000.00		
	B. Meat Market 6659			$ 460,000.00	$ 220,800.00	
	C. Glass Store 6665			$ 217,500.00	$ 110,400.00	
	D. Parking Lot 6669 & 671			$ 296,000.00	$ 144,000.00	
	E. 6683			$ 225,000.00	$ 110,400.00	
	F. Corner Building 17355-63 & 67 Court			$ 850,000.00	$ 432,000.00	
40	Real Estate Additional Cost to Date			$ 1,328,437.55		
41	Public Improvement Contingency			$ 325,000.00		Public
42	Costs of Studies, Development Plans, etc. (65ILS 5/(q)					
	A. Surveys (Survey Pro)			$ 46,060.00		
	B. Kuo Diedrich Architects (Current)			$ 883,400.00		
	C. Specifications			$ 42,500.00		
	D. Professional Services Inspection - third party			$ 75,000.00		
	E. Arete 3 (Past Architect)			$ 519,000.00		
	F. Arete 3 Paid to date			$ 108,349.22		
	G. Engineering			$ 220,000.00		
	H. Legal			$ 75,000.00		
	I. Professional Services of Site Manager					
43	Residential Marketing Costs (65 ILS 5/(q)(1.6)					
	A. Signs			$ 18,000.00		
	B. Ads Print			$ 75,000.00		
	C. Brochures			$ 25,000.00		
	D. Office Space & Supplies			$ 62,500.00		
	E. Ads other medias			$ 110,000.00		
44	Demolition		PRE-PAID	$ 75,000.00		Public
45	Site Preparation			$ 105,000.00		Public
46	Site Improvements			$ 50,000.00		Public
47	Clearing and Grading			$ 20,000.00		Public
48	Foundation Removal			$ 16,000.00		Public

49	Site Commercial Marketing Costs			$ 343,500.00	Private
50	Public Works Construction (65 ILS 5(q)(4)			$ 150,000.00	Public
51	Job Training (65 ILS 5(q)(5)			$ -	
52	Financing Costs Direct Finance costs, 16 months Building	16 months	LS	$ 848,366.00	
53	FHA Insurane Premium	1	LS	$ 257,369.00	
54	FHA Inspectin & Exam Fees	1	LS	$ 252,273.00	
55	Financing Fees	1	LS	$ 285,966.00	
57	Sponsors Profit & Risk, Legal	1	LS	$ 341,070.00	
58	Reserves for Finance Direct Payment of Interest Costs of Redevelopment (65 ILS 5(q)(11) (30% of annual interest costs)				
				$ 11,620,085.32	$ 3,132,204.55
	TOTAL				

B. OTHER

1	Additional Construction Design Details	1	LS	$ 50,068.00	
2	Parking Garage	155 spaces	LS	$ 3,651,800.00	
3	Landscpe Design Services	1	LS	$ 45,200.00	
4	Permit & Tap On Fees	1	EA	$ 600,000.00	
5	Contingency	5%		$ 217,353.40	
6	Addition Owners Equity			$ 374,129.75	
	SUBTOTAL			$ 4,938,551.15	
	TOTAL			$ 16,558,636.47	

RICHARD E FISHER ENGINEERING
4130 Grand Avenue
Western Springs, IL 60558

ENGINEER'S ESTIMATE OF PROBABLE COST

The Boulevard
Tinley Park, IL
Developer: South Street Development, LLC
Project # 070100
Preliminary

DATE: December 21, 2011
REVISIONS: February 16, 2012
REVISIONS: February 27, 2012

PUBLIC IMPROVEMENTS

	SOUTH STREET, 67TH COURT,174TH ST	Road	$1,252,252.93
	SOUTH STREET, 67TH COURT,174TH ST	Water	$97,584.00
	SOUTH STREET, 67TH COURT,174TH ST	Sewer	$57,180.80
A.	**SOUTH STREET, 67TH COURT,174TH ST (WEST)**	**TOTAL**	**$1,407,017.73**
	ALLEY	Road	$184,585.15
	ALLEY	Sewer	$14,172.15
B.	**ALLEY**	**TOTAL**	**$198,757.30**
	PARKING LOT	Parking	$750,397.68
	PARKING LOT	Sewer	$14,172.15
C.	**PARKING LOT**	**TOTAL**	**$764,569.83**
	* NOTE $72,340 OF THESE IMPROVEMENTS ARE ASSOCIATED WITH THE STORM WATER DETENTION FOR THE PROPOSED BUILDING		
	EXCAVATION AND HAUL OFF		$300,000.00
D.	**STRUCTURE**	**TOTAL**	**$300,000.00**
E.	**LAND ACQUISITION**		**$2,560,000.00**
	66TH COURT 174TH ST (EAST)	Road	$236,770.70
	67th COURT,174TH ST (EAST)	Water	$115,580.00
	68th COURT,174TH ST (EAST)	Sewer	$56,400.00
F.	**69th COURT,174TH ST (EAST)**	**TOTAL**	**$408,750.70**

TOTAL: **$5,639,095.56**

PRIVATE IMPROVEMENTS

B.	**STRUCTURE**	$203,098.12

TOTAL: **$203,098.12**

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ITEM NO.	ITEM	QUANTITY	UNIT	UNIT PRICE	TOTAL AMOUNT	
A	**SOUTH STREET, 67TH COURT,174TH ST (WEST)**					
1	FINE GRADING	5067	SY	$1.25	$6,333.75	PUBLIC
2	1.5" BIT. SURFACE (SUPERPAVE)	6130	SY	$7.35	$45,055.50	PUBLIC
3	3" BIT. BASE (SUPER PAVE)	6130	SY	$15.25	$93,482.50	PUBLIC
4	9" GRANULAR BASE COURSE	900	SY	$7.50	$6,750.00	PUBLIC
5	B-6.12 CURB & GUTTER	2992	LF	$11.00	$32,912.00	PUBLIC
6	BACKFILL CURB	2992	LF	$2.25	$6,732.00	PUBLIC
7	P.P.C. SIDEWALK	1553	SY	$50.00	$77,650.00	PUBLIC
8	BITUMINOUS PAVEMENT GRINDING	5250	SY	$4.50	$23,625.00	PUBLIC
9	THERMOPLASTIC PAVEMENT LINE	1100	LF	$2.25	$2,475.00	PUBLIC
10	ORNAMENTAL STREET LIGHT	7	EA	$6,250.00	$43,750.00	PUBLIC
11	RELOCATE ELECTRIC UTILITIES	NA	LS	$650,000.00	$650,000.00	PUBLIC
12	REMOVAL & DISPOSAL OF EXISTING CONCRETE	584	SY	$3.50	$2,044.00	PUBLIC
13	LANDSCAPING	NA	LS	$160,000.00	$160,000.00	PUBLIC
14	STREET SIGNS	6	EA	$325.00	$1,950.00	PUBLIC
15	12" WATERMAIN	500	LF	$90.00	$45,000.00	PUBLIC
16	TRENCH BACKFILL FOR WATER MAIN	500	LF	$16.60	$8,300.00	PUBLIC
17	VALVE VAULT	3	EA	$2,000.00	$6,000.00	PUBLIC
18	FIRE HYDRANT W/AUX. VALVE	7	EA	$2,200.00	$15,400.00	PUBLIC
19	PRESSURE CONNECTION	3	EA	$5,000.00	$15,000.00	PUBLIC
20	WATER MAIN TESTING FOR ACCEPTANCE	1	EA	$1,500.00	$1,500.00	PUBLIC
21	12" RCP STORM SEWER	250	EA	$20.00	$5,000.00	PUBLIC
22	18" RCP STORM SEWER	500	LF	$29.00	$14,500.00	PUBLIC
23	24" CATCH BASIN	4	EA	$610.00	$2,440.00	PUBLIC
24	48" CATCH BASIN	2	EA	$1,350.00	$2,700.00	PUBLIC
25	48" MANHOLE	1	EA	$1,350.00	$1,350.00	PUBLIC
26	96" MANHOLE	1	EA	$5,000.00	$5,000.00	PUBLIC
27	TRENCH BACKFILL FOR STORM SEWER	750	LF	$16.60	$12,450.00	PUBLIC
28	CONNECTION TO EXISTING STORM	1	EA	$10,000.00	$10,000.00	PUBLIC
29	SITE DEMOLITION & PREPARATION	NA	LS	$75,000.00	$75,000.00	PUBLIC
30	ENGINEERING	NA	LS	$44,617.98	$44,617.98	PUBLIC
				[illegible]	$1,407,017.73	

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ITEM NO.	ITEM	QUANTITY	UNIT	UNIT PRICE	TOTAL AMOUNT	
B.	**ALLEY**					
1	TOPSOIL STRIPPING (1' DEEP)	370	CY	$20.00	$7,400.00	PRIVATE
2	FINE GRADING	1110	SY	$1.25	$1,387.50	PUBLIC
3	3.5" PERVIOUS PAVEMENT	650	SY	$100.00	$65,000.00	PUBLIC
4	10" GRANULAR BASE COURSE	650	SY	$8.30	$5,395.00	PUBLIC
5	B-6.12 CURB & GUTTER	500	LF	$11.00	$5,500.00	PUBLIC
6	BACKFILL CURB	500	LF	$2.25	$1,125.00	PUBLIC
7	P.P.C. SIDEWALK	275	SY	$50.00	$13,750.00	PUBLIC
8	ORNAMENTAL STREET LIGHT	2	EA	$6,250.00	$12,500.00	PUBLIC
9	THERMOPLASTIC PAVEMENT LINE	50	LF	$2.25	$112.50	PUBLIC
10	STREET SIGNS	3	EA	$325.00	$975.00	PUBLIC
11	12" RCP STORM SEWER	325	LF	$20.00	$6,500.00	PUBLIC
12	48" CATCH BASIN	1	EA	$1,350.00	$1,350.00	PUBLIC
13	TRENCH BACKFILL	325	LF	$16.60	$5,395.00	PUBLIC
14	BOLLARDS	9	EA	$4,000.00	$36,000.00	PUBLIC
15	SITE DEMOLITION & PREPARATION	NA	LS	$25,000.00	$25,000.00	PUBLIC
16	ENGINEERING	NA	LS	$11,367.30	$11,367.30	PUBLIC
				[illegible]	$198,757.30	

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ITEM NO.	ITEM	QUANTITY	UNIT	UNIT PRICE	TOTAL AMOUNT	
C.	**PARKING LOT**					
1	TOPSOIL STRIPPING (1' DEEP)	146	CY	$20.00	$2,920.00	PUBLIC
2	FINE GRADING	3156	SY	$1.25	$3,945.00	PUBLIC
3	3.5" PERVIOUS PAVEMENT	3156	SY	$100.00	$315,600.00	PUBLIC
4	STONE UNDER PERVIOUS PAVEMENT	4200	CY	$30.00	$126,000.00	PUBLIC
5	NON-WOVEN FABRIC	6700	SY	$2.00	$13,400.00	PUBLIC
6	B-6.12 CURB & GUTTER	1265	LF	$11.00	$13,915.00	PUBLIC
7	BACKFILL CURB	1265	LF	$2.25	$2,846.25	PUBLIC
8	P.P.C. SIDEWALK	122	SY	$50.00	$6,100.00	PUBLIC
9	ORNAMENTAL STREET LIGHT	3	EA	$6,250.00	$18,750.00	PUBLIC
10	THERMOPLASTIC PAVEMENT LINE	1700	LF	$2.25	$3,825.00	PUBLIC
11	12" RCP STORM SEWER	424	LF	$20.00	$8,480.00	PUBLIC
12	24" CATCH BASIN	3	EA	$610.00	$1,830.00	PUBLIC
13	48" CATCH BASIN	3	EA	$1,350.00	$4,050.00	PUBLIC
14	TRENCH BACKFILL	424	LF	$16.60	$7,038.40	PUBLIC
15	BOLLARDS	18	EA	$4,000.00	$72,000.00	PUBLIC
16	RETAINING WALL	125	SF	$45.00	$5,625.00	PUBLIC
17	BERM	175	CY	$3.00	$525.00	PUBLIC
18	CLAY EXCAVATION / GRADING	3870	CY	$23.00	$89,010.00	PUBLIC
19	SITE DEMOLITION & PREPARATION	NA	LS	$20,000.00	$20,000.00	PUBLIC
20	ENGINEERING	NA	LS	$48,710.18	$48,710.18	PUBLIC
					$764,569.83	

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ITEM NO.	ITEM	QUANTITY	UNIT	UNIT PRICE	TOTAL AMOUNT	
D.	**STRUCTURE**					
1	SITE DEMOLITION & PREPARATION	NA	LS	$250,000.00	$130,000.00	PRIVATE
2	TOPSOIL STRIPPING (1' DEEP)	2600	CY	$2.50	$6,500.00	PRIVATE
3	[illegible]	[illegible]	CY	[illegible]	[illegible]	PUBLIC
4	12" PVC SANITARY SEWER SDR 26	400	LF	$42.00	$16,800.00	PRIVATE
5	48" SANITARY MANHOLE	6	EA	$2,600.00	$15,600.00	PRIVATE
6	CONNECTION TO EXISTING SANITARY	2	EA	$1,000.00	$2,000.00	PRIVATE
7	TESTING OF SAN. FOR ACCEPTANCE	1	EA	$4,000.00	$4,000.00	PRIVATE
8	6" DUCTILE IRON WATER MAIN	160	LF	$42.00	$6,720.00	PRIVATE
9	PRESSURE CONNECTION	1	EA	$4,500.00	$4,500.00	PRIVATE
10	6" VALVE	1	EA	$1,800.00	$1,800.00	PRIVATE
11	TRENCH BACKFILL	560	LF	$16.60	$9,296.00	PRIVATE
12	TESTING FOR ACCEPTANCE	1	EA	$1,100.00	$1,100.00	PRIVATE
14	ENGINEERING	NA	LS	$4,782.12	$4,782.12	PRIVATE
				[illegible]	$503,098.12	

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ITEM NO.	ITEM	QUANTITY	UNIT	UNIT PRICE	TOTAL AMOUNT	
F.	**66TH COURT,174TH ST (EAST)**					
1	FINE GRADING	3000	SY	$1.25	$3,750.00	PUBLIC
2	1.5" BIT. SURFACE (SUPERPAVE)	2800	SY	$7.35	$20,580.00	PUBLIC
3	3" BIT. BASE (SUPER PAVE)	2800	SY	$15.25	$42,700.00	PUBLIC
4	9" GRANULAR BASE COURSE	2800	SY	$7.50	$21,000.00	PUBLIC
5	B-6.12 CURB & GUTTER	1300	LF	$11.00	$14,300.00	PUBLIC
6	BACKFILL CURB	1300	LF	$2.25	$2,925.00	PUBLIC
7	P.P.C. SIDEWALK	300	SY	$50.00	$15,000.00	PUBLIC
8	BITUMINOUS PAVEMENT GRINDING	2800	SY	$4.50	$12,600.00	PUBLIC
9	THERMOPLASTIC PAVEMENT LINE	100	LF	$2.25	$225.00	PUBLIC
10	ORNAMENTAL STREET LIGHT	4	EA	$6,250.00	$25,000.00	PUBLIC
13	LANDSCAPING	NA	LS	$50,000.00	$50,000.00	PUBLIC
14	STREET SIGNS	6	EA	$325.00	$1,950.00	PUBLIC
15	12" WATERMAIN	800	LF	$90.00	$72,000.00	PUBLIC
16	TRENCH BACKFILL FOR WATER MAIN	800	LF	$16.60	$13,280.00	PUBLIC
17	VALVE VAULT	5	EA	$2,000.00	$10,000.00	PUBLIC
18	FIRE HYDRANT W/AUX. VALVE	4	EA	$2,200.00	$8,800.00	PUBLIC
19	PRESSURE CONNECTION	2	EA	$5,000.00	$10,000.00	PUBLIC
20	WATER MAIN TESTING FOR ACCEPTANCE	1	EA	$1,500.00	$1,500.00	PUBLIC
21	12" RCP STORM SEWER	400	EA	$20.00	$8,000.00	PUBLIC
22	24" CATCH BASIN	6	EA	$610.00	$3,660.00	PUBLIC
23	48" CATCH BASIN	6	EA	$1,350.00	$8,100.00	PUBLIC
24	TRENCH BACKFILL FOR STORM SEWER	400	LF	$16.60	$6,640.00	PUBLIC
25	CONNECTION TO EXISTING STORM	3	EA	$10,000.00	$30,000.00	PUBLIC
26	ENGINEERING	NA	LS	$26,740.70	$26,740.70	PUBLIC
				[illegible]	$408,750.70	

Exhibit 9 **Legal Descriptions of Properties to be Conveyed by the Village**

PROPERTY 5

Former funeral home garage/Stark property – 6703 South Street and 6726 174th Street

Parcel A

Lot 9 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois (excluding the northwesterly 61 feet thereof)

PIN 28-30-411-025

Parcel B

The northwesterly 61 feet of Lot 9 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois

PIN 28-30-411-026

Parcel C

That part of the Southeast ¼ of Section 30, Township 36 North, Range 13, East of the Third Principal Meridian, more particularly described as follows: commencing at the southeast corner of block 1 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian; thence South along the East line extended 196.00 feet more or less, to the North line of Market Street; thence westerly along the said North line of Market Street, a distance of 223.70 feet for a Point of Beginning; thence continuing westerly a distance of 149.00 feet more or less to the southwest corner of Lot 10 in said Block 9 in said Village of Bremen; thence northeasterly along the south line of said Block 9, a distance of 169.67 feet; thence South 01 Degrees 31 Minutes 36 Seconds West a distance of 78.07 feet more or less to the Point of Beginning, all in Cook County, Illinois (except the East 40.00 feet thereof).

PIN 28-30-411-027

PROPERTY 6

Former Fred Meyer/Roecker home – 6709 South Street

Lot 10 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois

PIN 28-30-411-005

PROPERTY 7

Former funeral home property – 6717 South Street and 6730 174th Street

Parcel A

Lots 11 and 12 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois (excluding the northwesterly 61 feet of Lot 12 thereof)

PIN 28-30-411-024

Parcel B

Northwesterly 61 feet of Lot 12 in Block 9 in the Village of Bremen (now Tinley Park), being a subdivision in Sections 30 and 31, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County Illinois

PIN 28-30-411-023

EXHIBIT 10

Intentionally Omitted

EXHIBIT 11

REAL ESTATE SALE PROVISIONS

1. TITLE

a. **Title Commitment; Title Policy.** Within thirty (30) days after the acquisition by the Village and/or Developer of all parcels identified on **Exhibits 9 and 10**, the respective "Seller" shall cause to be furnished, at Purchaser's expense, to the respective "Purchaser" a commitment for an ALTA Form B Owner's Policy of Title Insurance ("Commitment") issued by a duly licensed Illinois title company ("Title Company"), covering the property to be conveyed (the "Parcel"), together with true and legible copies of all documents creating or establishing easements, restrictions, and other items referred to as exceptions in Schedule "B" and Schedule "C" of the Commitment ("Title Documents") and an ALTA Survey for the Property.

b. **Objections.** Purchaser shall have thirty (30) days following receipt of the Commitment, Title Documents and Survey to review the Commitment, Title Documents and Survey and to provide to Seller in writing a specific list of Purchaser's objections to any of them ("Title Objections"). Any item constituting an encumbrance upon or adversely affecting title to the Parcel (except for Consensual Liens) which is not objected to by Purchaser in writing by such time shall be deemed approved by Purchaser and shall constitute a Permitted Exception (as hereinafter defined). Any mortgages, security interests, financing statements, or any other lien recorded against the Parcel following the Agreement Date with the consent or acquiescence of Seller are collectively referred to as the "Consensual Liens" and none of such Consensual Liens shall constitute, be or become Permitted Exceptions. Seller shall cause all Consensual Liens to be paid and discharged in full at Closing. The phrase "Permitted Exceptions" shall mean those exceptions to title set forth in the Commitment, Title Documents and Survey and accepted or deemed approved by Purchaser pursuant to the terms hereof except Consensual Liens as provided above, which shall not constitute Permitted Exceptions.

c. **Cure.** Seller shall have the right, but not the obligation for a period of fourteen (14) business days after receipt of Purchaser's Title Objections (the "Cure Period"), to cure (or commit to cure at or prior to Closing) by delivery of written notice thereof to Purchaser within the Cure Period any or all Title Objections contained in Purchaser's notice. If any such Title Objections are not cured (or, if reasonably capable of being cured, Seller has not committed to cure same at or prior to Closing) within the Cure Period, or if Seller sooner elects not to cure such Title Objection by written notice to Purchaser, Purchaser shall have until the earlier of the expiration of the Cure Period or fourteen (14) business days after the receipt of such written notice within which to give Seller written notice that Purchaser elects either (i) to waive all such uncured objections (in which case the uncured objections shall become Permitted Exceptions); or (ii) terminate this Agreement. If Purchaser does not deliver such written notice within the above period, Purchaser shall be deemed to have waived its objections and all uncured Title Objections shall be Permitted Exceptions (except Consensual Liens, which shall not constitute Permitted Exceptions). If Purchaser terminates this Agreement in accordance with the foregoing, this Agreement shall immediately and automatically terminate, and neither party shall have any further obligations to the other hereunder (except any obligations which this Agreement provides survive termination).

2. CLOSING DELIVERIES

a. **Seller.** Closing shall occur on the Closing Date provided all the conditions precedent described herein have been satisfied. At Closing, Seller shall deliver or cause to be delivered to Purchaser, in form and substance reasonably acceptable to Purchaser, each of the following documents:

i. **Deed.** Special Warranty Deed, conveying the Parcel to Purchaser (or Purchaser's assignee or nominee) free and clear of all liens, claims and encumbrances except for the Permitted Exceptions.

ii. **Possession.** Exclusive possession of the Parcel.

iii. **Title Policy.** At Closing, Seller shall provide Purchaser, at Purchaser's expense, with an ALTA Form B Owner's Policy of Title Insurance for the Parcel, dated as of the date of the Closing, in the amount of the fair market value of the Parcel, insuring title to be in Purchaser (or Purchaser's nominee or assignee) in indefeasible fee simple, subject to no exceptions other than Permitted Exceptions with extended coverage (the "Title Policy"). Purchaser shall pay the additional premium charged for extended coverage, and pay for any endorsements required by Purchaser or its Lender.

iv. **Closing Statement.** A Closing Statement conforming to the prorations and other relevant provisions of this Agreement.

v. **Entity Transfer Certificate.** An Entity Transfer Certification confirming that the Seller is a "United States Person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.

vi. **Other.** Such other documents and instruments as may reasonably be required by the Title Company as necessary to consummate this transaction and to otherwise effect the agreement of the parties hereto and not inconsistent with the terms of this Agreement, including but not limited to : (1) an Affidavit of Title, and (2) an A.L.T.A. Statement.

b. **Purchaser.** At Closing, Purchaser shall deliver or cause to be delivered to Seller the following, in form and substance reasonably acceptable to Seller:

i. **Closing Statement.** A Closing Statement conforming to the proration and other relevant provisions of this Agreement.

ii. **Corporate Resolutions/Authorizations.** Such corporate, partnership, limited liability company and/or limited partnership resolutions and authorizations reasonably satisfactory to the Title Company evidencing Purchaser's authority to enter into and consummate this transaction and the acceptance of the conveyance of the Parcel, pursuant to this Agreement.

iii. **Other.** Such other documents and instruments as may reasonably be required by the Title Company to consummate this transaction and to otherwise effect the agreement of the parties hereto and not inconsistent with the terms of this Agreement.

3. **PRORATIONS AND ADJUSTMENTS.** The following shall be prorated and adjusted between Seller and Purchaser as of Closing, except as otherwise specified:

a. Seller will pay the basic premium for the Title Policy and any premiums for extended coverage; one-half of the escrow fee and New York closing fee charged by the Title Company; the costs to prepare the Deed; the costs to obtain, deliver, and record releases of all liens to be released at Closing; the costs to record all documents to cure Title Objections agreed to be cured by Seller; the costs to obtain the Survey; the cost of state and county transfer stamps, if any, and Seller's expenses and attorney's fees. Purchaser will pay one-half of the escrow fee and New York closing fee charged by Title Company; the costs to obtain, deliver, and record all documents other than those to be recorded at Seller's expense; the costs of any work required by Purchaser to have the Survey reflect matters other than those required under this Agreement; the costs to obtain financing of the Purchase Price, including the incremental premium costs of mortgagee's title policies and endorsements and deletions required by Purchaser or Purchaser's lender; the cost of municipal transfer stamps and Purchaser's expenses and attorney's fees. All assessments, general or special, which are due and payable in arrears after the Closing, and assessments for improvements completed prior to such Closing but payable after such Closing shall be prorated at such Closing based on each party's period of ownership. Ad valorem real estate taxes for the Parcel for the calendar year of such Closing will be prorated at 105% of most current available assessed value, equalization factor and tax rate between Purchaser and Seller as of the Closing Date. If the tax bills for the phase being conveyed includes other property, taxes shall be prorated based on the square footage of the phase being conveyed as a portion of the square footage of all the property included in said tax bills. Seller's portion of the prorated taxes will be paid to Purchaser at closing. If the assessment(s) for the year of closing and/or prior years are not known at the Closing Date, the prorations will be based on taxes for the previous tax year. Seller will promptly notify Purchaser of all notices of proposed or final tax valuations and assessments that Seller receives after the Agreement Date and prior to such Closing. If this sale or Purchaser's use of the Parcel after such Closing results in the assessment of additional taxes for periods prior to Closing, Purchaser will pay the additional taxes. All taxes due as of Closing will be paid at Closing. Such other items that are customarily prorated in transactions of this nature, if any, shall be ratably prorated.

For purposes of calculating prorations, Purchaser shall be deemed to be in title to each phase on the applicable Closing Date. All such prorations shall be made on the basis of the actual number of days of the year and month which shall have elapsed as of such Closing Date. The amount of the ad valorem real estate tax proration shall be adjusted in cash after such Closing as and when the final tax bill for such period(s) becomes available. Seller and Purchaser agree to cooperate and use their diligent and good faith efforts to make such adjustments no later than thirty (30) days after such information becomes available.

PRINCIPAL ONLY

EXHIBIT 12
TAX INCREMENT FINANCING NOTE

FORM OF TAXABLE VILLAGE NOTE

REGISTERED MAXIMUM AMOUNT No. R-1

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTIES OF COOK AND WILL
VILLAGE OF TINLEY PARK
TAX INCREMENT ALLOCATION REVENUE NOTE
TAXABLE SERIES 2012__

Registered Owner:

____

Maturity Date: __________________________, 20_____

KNOW ALL PERSONS BY THESE PRESENTS, that the Village of Tinley Park, Cook & Will Counties, Illinois (the "Village"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereinafter defined) in accordance with that certain Ordinance adopted by the Board of Trustees of the Village on ________________________ (the "Ordinance") and that certain Development Agreement-The Boulevard At Central Station (the "Development Agreement") dated ______________________, 2012, between the Village and South Street Development, LLC, an Illinois Limited Liability Company (the "Developer") up to the principal amount of Three Million Seven Hundred Seventy Six Thousand and No/100 Dollars ($ 3,776,000). **NO INTEREST SHALL ACCRUE OR BE PAYABLE ON THIS NOTE.** Principal on this Note is payable in annual installments upon receipt of such Net Incremental Property Taxes (as defined in the Development Agreement) on deposit in the Developer Account (the "Developer Account") established pursuant to the Ordinance. Payments on this Note shall be made in accordance with the terms of the Development Agreement. The annual payments shall be made once the true increment for each year is determined which cannot be determined until:

a) After the second installment real estate tax bills are issued for the Property;

b) The "Agency Distribution Percentage" (ADP) has been determined;

c) The taxes from the Project have been paid;

d) The County Treasurer has distributed said taxes to the Village.

The principal of this Note is payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the Village maintained by the Village Treasurer of the Village, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal will be payable solely upon presentation of this Note at the principal office of the Registrar in Tinley Park, Illinois or as otherwise directed by the Village.

This Note is issued by the Village in fully registered form in the aggregate principal amount of advances made from time to time by the Developer up to a maximum of Three Million Seven Hundred Seventy Six Thousand and No/100 Dollars ($3,776,000), for the purpose of paying or reimbursing the costs of certain eligible redevelopment project costs incurred by the Developer in connection with the development of a mixed use project as defined in and further described in the Development Agreement (the "Project"), in the Main Street South Redevelopment Project Area (the "Project Area") in the Village, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 et *seq.)* (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) the home rule powers of the Village, and the Ordinance, in all respects as by law required.

The Village has assigned and pledged certain rights, title and interest of the Village in and to certain incremental ad valorem tax revenues from the Project Area which the Village is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal of this Note. Reference is hereby made to the aforesaid Ordinance for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. THIS NOTE IS NOT A GENERAL OR MORAL OBLIGATION OF THE VILLAGE BUT IS A SPECIAL LIMITED OBLIGATION OF THE VILLAGE AND IS PAYABLE SOLELY FROM AMOUNTS ON DEPOSIT IN THE DEVELOPER ACCOUNT, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF

THE VILLAGE, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

Except as set forth in the sentence following this, the principal of this Note is subject to prepayment, redemption without penalty (including, in the Village's sole discretion, prepayment and redemption from sources other than funds on deposit in the Developer Account), all in accordance with the Development Agreement.

This Note is transferable or assignable for collateral purposes by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Tinley Park, Illinois, but only in the manner and subject to the limitations provided in the Ordinance and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefore. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to an annual payment or on the fifteenth day of the month immediately prior to the maturity date of this Note, nor to transfer this Note after notice calling this Note or a portion hereof for prepayment or redemption has been mailed, nor during a period of five (5) business days next preceding mailing of a notice of prepayment or redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance provides.

Pursuant to the Development Agreement, the Developer has agreed to acquire and construct the Project and to advance funds for the incurrence under the TIF Act of certain eligible redevelopment project costs related to the Project. Such costs up to the amount of Three Million Seven Hundred Seventy Six Thousand and No/100 Dollars ($3,776,000), as determined and adjusted pursuant to the Development Agreement, shall be deemed to be a disbursement of the proceeds of this Note, and the outstanding principal amount of this Note shall be increased by the amount of each such advance from time to time. The principal amount outstanding of this Note shall be the sum of advances made pursuant to certificates of expenditure ("Certificates of Expenditure") executed by the Village Manager of the Village (or his or her designee) and countersigned by the Village Treasurer in accordance with the Development Agreement, minus any principal amount paid on the Notes or other reductions pursuant to the Development Agreement. The Village shall not execute Certificates of Expenditure with respect to the Notes that total in excess of Three Million Seven Hundred Seventy Six Thousand and No/100 Dollars ($3,776,000), to be paid by this Note. It is agreed and understood that the Developer may be paid by the Village from other funds for other improvements and costs in accordance with the Development Agreement.

The Village and the Registrar may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof, and for all other purposes, and neither the Village nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the Village does not exceed or violate any constitutional or statutory limitation applicable to the Village.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF, the Village of Tinley Park, Cook and Will Counties, Illinois, by its Village Board of Trustees, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized manual or facsimile signature of the Mayor and attested by the duly authorized manual or facsimile signature of the Village Clerk of the Village, all as of ______________________, 20___.

____
Mayor

(SEAL)

Attest:

____
Village Clerk

CERTIFICATE
OF
AUTHENTICATION

Registrar and Paying Agent:
Village Treasurer of the Village of Tinley Park
Cook and Will Counties, Illinois

This Note is described in the within mentioned Ordinance and is one of the $3,776,000.00 Tax Increment Allocation Revenue Notes (Main Street South Redevelopment Project Area), Taxable Series 2012 of the Village of Tinley Park Cook and Will Counties, Illinois

____
Village Treasurer

Date: ______________________

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: ________________________

____
Registered Owner

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

Consented to as of: _________________________

Village of Tinley Park, Illinois

By: ________________________________
Title: Village Manager

EXHIBIT 13

Project Analysis

VILLAGE OF TINLEY PARK

TIF Increment Projections - Main Street South TIF

Development Only

Area 9: South Street - Development with Class 8

7% Increase at Triennial Reassessment, beginning in Tax Year 2017 (New Development)

Project Parcels Frozen EAV: 937,606 (Base Years)

Project Parcels Current EAV: 967,048 *(Tax Year 2010)*

Tax Rate (Tax / Levy Year 2010) TC 13158: 9.8530%

Present Value Rate: 6.00%

TIF Year	Tax Year	Collection Year	% Incr (Decr) at Triennial	PROJECT PINS Est EAV (Decrement) EAV[1]	Redev Projects New Res EAV	Redev Projects New Comm EAV	A Projected Total EAV	B Frozen EAV	C TIF Incremental EAV	D Estimated Tax Rate	E Estimated Total Tax Revenue	F % WHOLE TIF INCR RUN Estimated TIF 'Agency' Distribution[2]	G PRIOR TO CONTINGENT Est Annual TIF Increment Tax Revenue	95% Collection: 95% Estimated Annual Incremental Revenue	95% Collection: LESS Base Incremental Tax Generated Prior to Devel[3]	95% Collection: LESS Existing Incentives Commit/Other Deductions[4]	95% Collection: LESS Potential Incentives Commit/Other Deductions[5]	95% Collection: NET ESTIMATED Annual TIF Increment Available for Developments	90% Collection: 90% Estimated Annual Incremental Revenue	90% Collection: LESS Base Incremental Tax Generated Prior to Devel 3	90% Collection: LESS Existing Incentives Commit/Other Deductions	90% Collection: LESS Potential Incentives Commit/Other Deductions	90% Collection: NET ESTIMATED Annual TIF Increment Available for Developments
	2002	2003																					
1	2003	2004																					
2	2004	2005																					
3	2005	2006																					
4	2006	2007																					
5	2007	2008																					
6	2008	2009																					
7	2009	2010																					
8	2010	2011	0%	967,048			967,048	937,606	29,442	9.8530%	95,283	33.8865%	32,269	30,656	36,315	-		(5,660)	29,042	36,315	-		(7,273)
9	2011	2012	0%	967,048			967,048	937,606	29,442	9.8530%	95,283	33.8865%	32,269	30,656	36,315			(5,660)	29,042	36,315			(7,273)
10	2012	2013	0%	967,048			967,048	637,606	[illegible]	9.8530%	95,283	33.8865%	32,269	30,656	36,315		-	(5,660)	29,042	36,315	-	-	(7,273)
11	2013	2014	0%	(967,048)	3,129,330	328,657	2,490,939	937,606	[illegible]	9.8530%	245,432	41.1607%	101,022	95,971	36,315			59,655	90,919	36,315			54,604
12	[illegible]	2015	7.0%	(1,034,741)	6,258,659	657,315	5,881,233	937,606	[illegible]	9.8530%	579,478	49.4667%	289,249	283,337	36,315			247,022	268,424	36,315			232,109
13	2015	2016	0%	(1,034,741)	9,387,989	1,008,800	9,363,047	937,606	[illegible]	9.8530%	922,541	56.9438%	525,330	499,063	36,315			462,748	472,797	36,315			436,481
14	2016	2017	0%	(1,034,741)	10,887,459	1,009,800	10,862,518	937,606	[illegible]	9.8530%	1,070,284	58.9387%	630,812	599,271	36,315			562,956	567,731	36,315	-	-	531,416
15	[illegible]	2018	7.0%	(1,107,173)	11,649,581	1,080,486	11,622,894	937,606	[illegible]	9.8530%	1,145,204	61.6250%	705,732	670,445	36,315		-	634,130	635,158	36,315			598,843
16	2018	2019	0%	(1,107,173)	11,649,581	1,080,486	11,622,894	937,606	[illegible]	9.8530%	1,145,204	61.6250%	705,732	670,445	36,315			634,130	635,158	36,315			598,843
17	2019	2020	0%	(1,107,173)	11,649,581	1,080,486	11,622,894	937,606	[illegible]	9.8530%	1,145,204	61.6250%	705,732	670,445	35,315		-	634,130	635,158	36,315		-	598,843
18	[illegible]	2021	7.0%	(1,184,675)	12,465,052	1,156,120	12,436,496	937,606	[illegible]	9.8530%	1,225,368	64.1355%	785,896	746,601	36,315			710,286	707,306	36,315			670,991
19	2021	2022	0%	(1,184,675)	12,465,052	1,156,120	12,436,496	937,606	[illegible]	9.8530%	1,225,368	64.1355%	785,896	746,601	36,315		-	710,286	707,306	36,315			670,991
20	2022	2023	0%	(1,184,675)	12,465,052	1,156,120	12,436,496	937,606	[illegible]	9.8530%	1,225,368	64.1355%	785,896	746,601	36,315			710,286	707,306	36,315			670,991
21	[illegible]	2024	7.0%	(1,267,603)	13,337,605	1,855,573	13,925,575	937,606	[illegible]	9.8530%	1,372,087	66.9987%	919,253	873,290	36,315	-	-	836,975	827,327	36,315			791,012
22	2024	2025	0%	(1,267,603)	13,337,605	2,474,097	14,544,100	937,606	[illegible]	9.8530%	1,433,030	67.4960%	967,238	918,876	36,315		-	882,561	870,514	36,315			834,199
23	2025	2026	0%	(1,267,603)	13,337,605	3,092,621	15,162,624	937,606	[illegible]	9.8530%	1,493,973	67.9904%	1,015,609	964,829	36,315			928,514	914,049	36,315			877,733
TOTAL													[illegible]	8,547,086	337,649	$0.00	$0.00	8,002,359	8,097,239	337,649	$0.00	$0.00	7,652,512
												NPV:	5,073,312	4,818,846	352,702			4,465,944	4,585,960	352,702			4,213,279

Assumptions

Frozen and Current EAV Data from Cook County "Tax Increment Agency Distribution Summary" for Tax Year 2010

Tax Year 2010 Tax Rate of Tax Code 13158 used for the life of TIF

State Equalization factor of 1.000 assumed for all years

Cook County Equalization Factor of 3.3000 for Tax Year 2010 assumed for all years

[1] Project PIN Estimated EAV assumes that Project PIN properties are cleared for development (reduced to '0')

[2] TIF "Agency" Distribution % is the value calculated when estimating the resulting impact the Project will have on the Whole TIF (see Whole TIF - With Class 8 calculation)

[3] Base Incremental Tax Generated prior to Development was based on TY2005 values of Project PINs (per Tinley Park Project Recap)

[4] Per Tinley Park Project Recap, no existing Incentive/Assistance or Commitments to date for this Project Area

[5] Per Tinley Park (Nan), no potential Incentive/Assistance or Commitments for future development at this time for this Project Area

EXHIBIT 14

Developer's Pro Forma Estimate of Costs and Revenue

ITEM NO	ITEM	QUANTITY	UNIT		UNIT PRICE
	Sources & Uses				
	Apartment Rentals	187	123 (2) bedroom 44 (1) Bed		$2,982,420.00
	Retail, Restaurant & Commercial	25,000 Sq Ft	Mixed-Use		$440,838.00
	Total Income				$3,423,258.00
1	Land Acquisition				
	A. Meat Market 6659			$	460,000.00
	B. Glass Store 6665			$	200,000.00
	C. Parking Lot 6669 & 671			$	296,000.00
	D. 6683			$	225,000.00
	E. Corner Building 17355-63 & 67 Court			$	850,000.00
	Developer Land Costs			$	2,031,000.00
	Hard Cost				
	Landscaping			$	1,470,428.00
	Site Work			$	1,142,667.00
	Structures			$	29,550,633.00
	General Conditions			$	610,076.00
	Contingency			$	697,584.00
	Site Services			$	410,413.00
	Bonding Costs			$	340,000.00
	Construction Mgmt			$	657,413.00
	Total Hard Costs			$	**34,879,214.00**
	Soft Costs				
2	Costs of Studies, Development Plans, etc. (65ILS 5/(q))				
	A. Surveys (Survey Pro)			$	66,060.00
	B. Kuo Diedrich Architects (Current)			$	483,400.00
	C. Specifications			$	42,500.00
	D. Professional Services Inspection third party			$	98,118.00
	Soil, Enviromental,Testing, Marketing and others				
	F. Engineering			$	180,000.00
	G. Taxes			$	210,000.00
	H. Legal			$	75,000.00
	I. Professional Civil of Site Manager			$	55,000.00
	Soft Cost Subtotal			$	1,210,078.00
3	Foundation Removal			$	15,856.00
4	Financing Costs				
	Direct Finance costs, 16 months (Interest)	16 months		$	848,366.00
5	FHA Insurance Premium	1		$	257,369.00
6	FHA Inspection & Exam Fees	1		$	252,273.00
7	Financing Fees (Origination/Broker)	1		$	285,966.00
8	Sponsors Profit & Risk, Legal	1		$	341,070.00
9	Reserves for Finance				
	Direct Payment of Interest Costs of Redevelopment (65 ILS 5(q)(11) (30% of annual interest costs)				
10	TIF Administration			$	30,100.00
	Total Soft Cost			$	3,241,078.00
	TOTAL			$	38,120,292.00
	Soft Costs Other				
1	Retail Construction build out costs	10000	$75 @ sq.ft.	$	750,000.00
2	Restaurant Construction build out cost	8000	$100 @ sq.ft.	$	800,000.00
	Commercial Space other users	6500	$50 @ sq ft.	$	325,000.00
3	Commercial Marketing Budget	25000	$10 @ sq ft. Annual	$	250,000.00
4	Commissions on Commercial leasing	3% or (1) Month	Commission	$	31,250.00
5	Build-out Financing	6%		$	129,375.00
6	Addition lease Programs	(1) Year	$0 sq ft	$	440,838.00
	Additional (other) Total			$	2,726,463.00
	Total Uses of Cash			$	40,846,755.00
	Construction Loan			$	29,116,600.00
	Total Gap In Funding			$	11,730,155.00

Less Tiff Inprovement on/off site	$	5,776,000.00
Less Owner Land Equity	$	2,031,000.00
Less Other Owner Improvements	$	2,726,463.00
Less Current Prepaid Items	$	503,848.00
Tiff and Owner Improvements	$	11,037,311.00
Total Gap in Funding	$	11,730,155.00
Projected additional Equity from Owner		$692,844.00

1229729091
Doc#: 1229729091 Fee: $68.00
Eugene "Gene" Moore
Cook County Recorder of Deeds
Date: 10/23/2012 02:34 PM Pg: 1 of 16

STATE OF ILLINOIS)
COUNTY OF C O O K) SS
COUNTY OF W I L L)

CLERK'S CERTIFICATE

I, PATRICK REA, the duly elected, qualified and acting Village Clerk of the Village of Tinley Park, Cook and Will Counties, Illinois, do hereby certify that attached hereto is a true and correct copy of the Resolution now on file in my office, entitled:

ORDINANCE NO. 2012-O-041

ORDINANCE AUTHORIZING THE FIRST AMENDMENT TO DEVELOPMENT AGREEMENT – THE BOULEVARD AT CENTRAL STATION

which was passed by the Board of Trustees of the Village of Tinley Park at a regular meeting held on the 2nd day of October, 2012, at which meeting a quorum was present, and approved by the President of the Village of Tinley Park on the 2nd day of October, 2012.

I further certify that the vote on the question of the passage of the said Resolution by the Board of Trustees of the Village of Tinley Park was taken by the Ayes and Nays and recorded in the Journal of Proceedings of the Board of Trustees of the Village of Tinley Park, and that the result of said vote was as follows, to-wit:

AYES: **Seaman, Hannon, Maher, Staunton, Leoni, Grady**

NAYS: **None**

ABSENT: **None**

I do further certify that the original Resolution, of which the attached is a true copy, is entrusted to my care for safekeeping, and that I am the lawful keeper of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Village of Tinley Park, this 2nd day of October, 2012.

Village Clerk

293376_1

ORDINANCE NO. 2012-O-041

ORDINANCE AUTHORIZING THE FIRST AMENDMENT TO DEVELOPMENT AGREEMENT – THE BOULEVARD AT CENTRAL STATION

WHEREAS, the Corporate Authorities of the Village of Tinley Park, Cook and Will Counties, Illinois, have considered a First Amendment to Development Agreement-The Boulevard at Central Station (the "First Amendment") between the Village of Tinley Park ("Village"), and South Street Development, LLC, an Illinois limited liability company, a true and correct copy of which is attached hereto and made a part hereof as EXHIBIT 1; and

WHEREAS, the Corporate Authorities of the Village of Tinley Park, Cook and Will Counties, Illinois, have determined that it is in the best interests of said Village of Tinley Park that said First Amendment be entered into by the Village of Tinley Park.

NOW, THEREFORE, Be It Ordained by the President and Board of Trustees of the Village of Tinley Park, Cook and Will Counties, Illinois, as follows:

Section 1: The Preambles hereto are hereby made a part of, and operative provisions of, this Ordinance as fully as if completely repeated at length herein.

Section 2: That this President and Board of Trustees of the Village of Tinley Park hereby find that it is in the best interests of the Village of Tinley Park and its residents that the aforesaid "First Amendment to Development Agreement-The Boulevard at Central Station" be entered into and executed by said Village of Tinley Park.

Section 3: That the President and Clerk of the Village of Tinley Park, Cook and Will Counties, Illinois are hereby authorized to execute for and behalf of said Village of Tinley Park the aforesaid First Amendment.

Section 4: That this Ordinance shall take effect from and after its adoption and approval as required by law.

ADOPTED this 2nd day of October, 2012, by the Corporate Authorities of the Village of Tinley Park on a roll call vote as follows:

AYES: **Seaman, Hannon, Maher, Staunton, Leoni, Grady**

NAYS: **None**

ABSENT: **None**

APPROVED this 2nd day of October, 2012, by the President of the Village of Tinley Park.

Village President

ATTEST:

Village Clerk

EXHIBIT 1

First Amendment

EXHIBIT 1

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT-THE BOULEVARD AT CENTRAL STATION

This First Amendment to the Development Agreement-The Boulevard at Central Station (this "First Amendment") is made and entered into as of the 2 day of October, 2012 ("First Amendment Date") by and between the Village of Tinley Park, Illinois, an Illinois municipal home rule corporation (the "Village"), and South Street Development, LLC, an Illinois limited liability company, (the "Developer"), with its principal office at 6665 South Street, Tinley Park, Illinois 60477. (The Village and the Developer are sometimes referred to individually as a "Party" and collectively as the "Parties.")

RECITALS

The following Recitals are incorporated herein and made a part hereof.

A. The Parties have previously entered into that certain "Development Agreement-The Boulevard at Central Station" dated the 17th day of July, 2012 (the "Agreement").

B. The Parties wish to amend the Agreement to correct certain scrivener's errors and to insert certain updated schedules.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

1. The third paragraph of Section 7.1 of Article Seven of the Agreement be and is hereby amended to read as follows:

   The common surface parking lot shall be constructed by the Developer in accordance with final engineering plans approved by the Village. After completion in accordance with the approved engineering plans and inspection and approval by the Village, the Village thereafter shall fully maintain the common surface parking lot to serve the retail component of the Project and adjoining businesses. The Developer and Village shall enter into a cross-access and parking agreement relating to the use of the common surface parking lot, such agreement to be in such form and substance satisfactory to the Village.

2. Section 7.5 of Article Seven of the Agreement be and is hereby amended to read in its entirety as follows:

7.5 <u>Conveyance of Land.</u> The Village agrees to convey to the Developer certain property owned by it which property is legally described on **<u>Exhibit 9</u>** attached hereto and hereby made a part hereof.

3. The first sentence of Section 8.4 of Article Eight of the Agreement be and is hereby amended to read as follows:

   Within three (3) months after satisfaction of the condition precedent as set forth in Section 7.3, the Developer shall demonstrate to the Village's satisfaction that Developer has sufficient funds to pay the costs of the Project.

4. Section 10.6(a) of Article Ten of the Agreement be and is hereby amended to read in its entirety as follows:

   (a) Subject to Section 10.13, the Developer shall commence construction of the Project within sixty (60) days after it receives approval of its construction financing, and shall not cause or permit the existence of any violation of Village ordinances, including but not limited to the Village's Building Code, Zoning Ordinance and Variation Ordinance, Fire Code, Sign Ordinance, Landscaping Ordinance, and any and all rules and regulations thereunder. The Developer shall have substantially completed the entire Project on or before March 1, 2014 or by such later time as may be agreed by and between the Village Manager and the Developer, with such substantial completion to be evidenced by 1) copies of all paid invoices for the Project, 2) a certificate of substantial completion signed by the Developer's architect or project manager, and 3) all such inspections and approvals as may be required by the Village. If requested by the Developer, the Village shall provide to Developer a written statement confirming such substantial completion for the purposes of this Agreement.

5. Section 11.2 of Article Eleven of the Agreement be and is hereby amended to read in its entirety as follows:

All real estate transactions, including conveyances, easements and dedications, provided for herein shall be governed by and shall be closed in accordance with the provisions of **<u>Exhibit 11</u>** attached hereto and hereby made a part hereof. The Party required to grant or make a conveyance, dedication or easement shall be considered the "Seller" thereunder and the Party receiving the conveyance, dedication or easement shall be considered the "Purchaser" thereunder regardless of whether any monetary payment is due.

6. That **Exhibit 3** to the Agreement referred to in Section 6.3 of Article Six of the Agreement be and is hereby replaced by the revised **Exhibit 3** attached hereto and hereby made a part hereof and also as a part of the Agreement and the reference in said Section 6.3 shall be construed and deemed to refer to the attached revised **Exhibit 3.**

7. That **Exhibit 11** attached to the Agreement and referred to in Section 11.2 of Article Eleven of the Agreement be and is amended and replaced by the revised **Exhibit 11** attached and hereby made a part hereof and also as a part of the Agreement, and the reference in said Section 11.2 shall be construed and deemed to refer to the attached revised **Exhibit 11.**
8. That except as expressly otherwise stated in this First Amendment all the remaining terms and conditions of the Agreement shall remain in full force and effect.
9. Time is of the essence of this First Amendment.
10. This First Amendment may be executed in several counterparts, each of which shall be considered an original and all of which shall constitute but one and the same First Amendment.
11. The Parties agree to record a memorandum of this First Amendment, executed by the then current owners of the Property in the appropriate land or governmental records. Developer shall pay the recording charges.
12. If any provision of this First Amendment, or any Section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held to be invalid, the remainder of this First Amendment shall be construed as if such invalid part were never included herein, and this First Amendment shall be and remain valid and enforceable to the fullest extent permitted by law.
13. This First Amendment shall be governed by and construed in accordance with the laws of the State of Illinois.
14. This First Amendment and the Agreement (together with the exhibits attached thereto) combined constitute the entire contract between the Village and Developer relating to the subject matter hereof and may not be modified or amended except by a written instrument executed by the Parties hereto.
15. Nothing in this First Amendment, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this First Amendment on any other person other than the Village and Developer, nor is anything in this First Amendment intended to relieve or discharge the obligation or liability of any third persons to either the Villager or Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the Village or Developer. This First Amendment is not intended to and does not create any third party beneficiary rights whatsoever.
16. Any Party to this First Amendment may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to the Agreement or this First Amendment.

17. This First Amendment and the rights and obligations hereunder, may not be assigned by Developer prior to completion of the Project unless the Village in the exercise of its sole and absolute discretion consents in writing to such assignment.
18. The Effective Date for this First Amendment shall be the day on which this First Amendment is fully executed pursuant to a duly enacted Village ordinance authorizing the execution of and adoption of this Agreement as set forth on Page 1 hereof.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on or as of the day and year first above written.

ATTEST:

By: ______________________
Village Clerk

Village of Tinley Park,
an Illinois municipal corporation

By: ______________________
Village President

DEVELOPER:
South Street Development, LLC, an Illinois limited liability company

ATTEST:

By: ______________________
Its: Manager/Member

By: ______________________
Its: Member

ACKNOWLEDGMENTS

State of Illinois)
) SS
County of Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Edward Zabrocki, personally known to me to be the Village President of the Village of Tinley Park, and Patrick Rea, personally known to me to be the Village Clerk of said municipal 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 Village President and Village Clerk, they signed and delivered the said instrument and caused the corporate seal of said municipal corporation to be affixed thereto, pursuant to authority given by the Village Board of Trustees of said municipal corporation, as their free and voluntary act, and as the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this 2 day of October, 2012.

Laura J Godette
Notary Public

OFFICIAL SEAL
LAURA J GODETTE
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:09/14/15

State of Illinois)
) SS
County of Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that JOE RIZZA, personally known to me to be the Manager/Member of South Street Development, LLC, and ROBERT HANSEN personally known to me to be a Member of said Illinois limited liability company, 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 Manager/Member and Member, they signed and delivered the said instrument, pursuant to authority given by the Members of said Illinois limited liability company, as their free and voluntary act, and as the free and voluntary act and deed of said Illinois limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this 15 day of October, 2012.

"OFFICIAL SEAL"
JULIE LEBLANC
Notary Public, State of Illinois
My Commission Expires 5-17-2014

Notary Public

EXHIBIT 3

BUILDING ELEVATIONS

EXHIBIT 3

BUILDING ELEVATIONS

ON-SITE MOCK UP PHOTO

RENDERED 174TH STREET ELEVATION

DETAIL ELEVATION

RENDERED SOUTH STREET ELEVATION

EXHIBIT 11

REAL ESTATE SALE PROVISIONS

1. **TITLE**

a. **Title Commitment; Title Policy.** At the time of any required conveyance, dedication or grant of easement (all a "conveyance" or "conveyed"), the respective "Seller" shall cause to be furnished, at Purchaser's expense, to the respective "Purchaser" a commitment for an ALTA Form B Owner's Policy of Title Insurance ("Commitment") issued by a duly licensed Illinois title company ("Title Company"), covering the property to be conveyed (the "Parcel"), together with true and legible copies of all documents creating or establishing easements, restrictions, and other items referred to as exceptions in Schedule "B" and Schedule "C" of the Commitment ("Title Documents") and an ALTA Survey for the Property.

b. **Objections.** Purchaser shall have thirty (30) days following receipt of the Commitment, Title Documents and Survey to review the Commitment, Title Documents and Survey and to provide to Seller in writing a specific list of Purchaser's objections to any of them ("Title Objections"). Any item constituting an encumbrance upon or adversely affecting title to the Parcel (except for Consensual Liens) which is not objected to by Purchaser in writing by such time shall be deemed approved by Purchaser and shall constitute a Permitted Exception (as hereinafter defined). Any mortgages, security interests, financing statements, or any other lien recorded against the Parcel following the Agreement Date with the consent or acquiescence of Seller are collectively referred to as the "Consensual Liens" and none of such Consensual Liens shall constitute, be or become Permitted Exceptions. Seller shall cause all Consensual Liens to be paid and discharged in full at Closing. The phrase "Permitted Exceptions" shall mean those exceptions to title set forth in the Commitment, Title Documents and Survey and accepted or deemed approved by Purchaser pursuant to the terms hereof except Consensual Liens as provided above, which shall not constitute Permitted Exceptions.

c. **Cure.** Seller shall have the right, but not the obligation for a period of fourteen (14) business days after receipt of Purchaser's Title Objections (the "Cure Period"), to cure (or commit to cure at or prior to Closing) by delivery of written notice thereof to Purchaser within the Cure Period any or all Title Objections contained in Purchaser's notice. If any such Title Objections are not cured (or, if reasonably capable of being cured, Seller has not committed to cure same at or prior to Closing) within the Cure Period, or if Seller sooner elects not to cure such Title Objection by written notice to Purchaser, Purchaser shall have until the earlier of the expiration of the Cure Period or fourteen (14) business days after the receipt of such written notice within which to give Seller written notice that Purchaser elects either (i) to waive all such uncured objections (in which case the uncured objections shall become Permitted Exceptions); or (ii) terminate the Agreement and the First Amendment. If Purchaser does not deliver such written notice within the above period, Purchaser shall be deemed to have waived its objections and all uncured Title Objections shall be Permitted Exceptions (except Consensual Liens, which shall not constitute Permitted Exceptions). If Purchaser terminates the Agreement or the First Amendment in accordance with the foregoing, the Agreement and the First Amendment shall immediately and automatically terminate, and neither party shall have any further obligations to the other hereunder (except any obligations which the Agreement provides survive termination).

2. CLOSING DELIVERIES

a. **Seller.** Closing shall occur on the Closing Date provided all the conditions precedent described herein have been satisfied. At Closing, Seller shall deliver or cause to be delivered to Purchaser, in form and substance reasonably acceptable to Purchaser, each of the following documents:

i. **Deed.** Special Warranty Deed, Grant of Easement or Plat of Dedication conveying the Parcel to Purchaser (or Purchaser's assignee or nominee) free and clear of all liens, claims and encumbrances except for the Permitted Exceptions.

ii. **Possession.** Exclusive possession of the Parcel.

iii. **Title Policy.** At Closing, Seller shall provide Purchaser, at Purchaser's expense, with an ALTA Form B Owner's Policy of Title Insurance for the Parcel, dated as of the date of the Closing, in the amount of the fair market value of the Parcel, insuring title (either fee simple or permanent easement) to be in Purchaser (or Purchaser's nominee or assignee) in indefeasible fee simple, or permanent easement, subject to no exceptions other than Permitted Exceptions with extended coverage (the "Title Policy"). Purchaser shall pay the additional premium charged for extended coverage, and pay for any endorsements required by Purchaser or its Lender.

iv. **Closing Statement.** A Closing Statement conforming to the prorations and other relevant provisions of this Agreement.

v. **Entity Transfer Certificate.** If required, an Entity Transfer Certification confirming that the Seller is a "United States Person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.

vi. **Other.** Such other documents and instruments as may reasonably be required by the Title Company as necessary to consummate this transaction and to otherwise effect the agreement of the parties hereto and not inconsistent with the terms of this Agreement and the First Amendment, including but not limited to: (1) an Affidavit of Title, and (2) an A.L.T.A. Statement.

b. **Purchaser.** At Closing, Purchaser shall deliver or cause to be delivered to Seller the following, in form and substance reasonably acceptable to Seller:

i. **Closing Statement.** A Closing Statement conforming to the proration and other relevant provisions of this Agreement.

ii. **Corporate Resolutions/Authorizations.** Such corporate, partnership, limited liability company and/or limited partnership resolutions and authorizations reasonably satisfactory to the Title Company evidencing Purchaser's authority to enter into and consummate this transaction and the acceptance of the conveyance of the Parcel, pursuant to this Agreement.

iii. **Other.** Such other documents and instruments as may reasonably be required by the Title Company to consummate this transaction and to otherwise effect the agreement of the parties hereto and not inconsistent with the terms of this Agreement.

3. **PRORATIONS AND ADJUSTMENTS.** In relation to conveyances, only by deed and/or plat of dedication, (but not applicable to grants of easement) the following shall be prorated and adjusted between Seller and Purchaser as of Closing, except as otherwise specified:

a. Seller will pay the basic premium for the Title Policy and any premiums for extended coverage; one-half of the escrow fee and New York closing fee charged by the Title Company; the costs to prepare the Deed; the costs to obtain, deliver, and record releases of all liens to be released at Closing; the costs to record all documents to cure Title Objections agreed to be cured by Seller; the costs to obtain the Survey; the cost of state and county transfer stamps, if any, and Seller's expenses and attorney's fees. Purchaser will pay one-half of the escrow fee and New York closing fee charged by Title Company; the costs to obtain, deliver, and record all documents other than those to be recorded at Seller's expense; the costs of any work required by Purchaser to have the Survey reflect matters other than those required under this Agreement; the costs to obtain financing of the Purchase Price, including the incremental premium costs of mortgagee's title policies and endorsements and deletions required by Purchaser or Purchaser's lender; the cost of municipal transfer stamps and Purchaser's expenses and attorney's fees. All assessments, general or special, which are due and payable in arrears after the Closing, and assessments for improvements completed prior to such Closing but payable after such Closing shall be prorated at such Closing based on each party's period of ownership. Ad valorem real estate taxes for the Parcel for the calendar year of such Closing will be prorated at 105% of most current available assessed value, equalization factor and tax rate between Purchaser and Seller as of the Closing Date. If the tax bills for the phase being conveyed includes other property, taxes shall be prorated based on the square footage of the phase being conveyed as a portion of the square footage of all the property included in said tax bills. Seller's portion of the prorated taxes will be paid to Purchaser at closing. If the assessment(s) for the year of closing and/or prior years are not known at the Closing Date, the prorations will be based on taxes for the previous tax year. Seller will promptly notify Purchaser of all notices of proposed or final tax valuations and assessments that Seller receives after the Agreement Date and prior to such Closing. If this sale or Purchaser's use of the Parcel after such Closing results in the assessment of additional taxes for periods prior to Closing, Purchaser will pay the additional taxes. All taxes due as of Closing will be paid at Closing. Such other items that are customarily prorated in transactions of this nature, if any, shall be ratably prorated.

For purposes of calculating prorations, Purchaser shall be deemed to be in title to each phase on the applicable Closing Date. All such prorations shall be made on the basis of the actual number of days of the year and month which shall have elapsed as of such Closing Date. The amount of the ad valorem real estate tax proration shall be adjusted in cash after such Closing as and when the final tax bill for such period(s) becomes available. Seller and Purchaser agree to cooperate and use their diligent and good faith efforts to make such adjustments no later than thirty (30) days after such information becomes available.

Attachment F

Additional information

This page is intentionally blank.

No items are applicable for this Attachment.

Attachment G

TIF advisor/consultant agreements with developers receiving TIF benefits

This page is intentionally blank.

No items are applicable for this Attachment.

Attachment H

Minutes of Joint Review Board

MINUTES OF THE JOINT REVIEW BOARD MEETING
MAIN STREET SOUTH TIF DISTRICT
June 20, 2012
3:35 P.M.

The meeting of the Oak Park Avenue TIF Joint Review Board was called to order by Chairman Rea at 3:56 p.m. in the Village Hall of Tinley Park, Council Chambers.

Joint Review Board Members Present and responding to Roll Call:

Patrick E. Rea, Village of Tinley Park, Clerk & Chairman of the Joint Review Board
Andre Garner, Cook County
Bill Kendall, Bremen High School District 228
Jeff Stawick, Elementary School District 146
John Curran, Director of Parks and Recreation, Tinley Park Park District
Michael Clark, Public Member

Joint Review Board Members Absent:

Bremen Township
South Suburban Community College District 510

Others Present:

Michael Mertens, Assistant Village Manager
Brad Bettenhausen, Village Treasurer
Mike Kowski, Senior Planner
Thomas Bayer, Village Attorney
James Eaton, Prairie State Community College District No. 515
Barbara Suggs Mason, Elementary School District 159
Melody Ellington, Elementary School District 159
Laura Godette, Deputy Village Clerk

Motion was made by John Curran, Tinley Park Park District, seconded by, Michael Clark, Public Member, to approve and place on file the minutes of the February 9, 2011, meeting of the Main Street South TIF District (hereinafter the "TIF District") Joint Review Board. Bill Kendall, Bremen High School District 228 noted that Mr. O'Malley's name was placed incorrectly in the February 9, 2011 minutes; his name is Tom not Tim. Vote by voice call. Chairman Rea declared motion carried unanimously, subject to the noted amendment.

Chairman Rea provided an overview of the Joint Review Board meeting.

Chairman Rea asked if there were any questions at this point. No one came forward.

At this time Mike Mertens, Assistant Village Manager, presented an overview of the boundaries of the TIF District and presented an overview of the projects taking place in this TIF District.

Mr. Mertens presented an overview of the following projects:

1. Boulevard at Central Station
    a. This project includes 167 units with 137 enclosed parking spaces and 73 surface parking lot spaces. Also included will be 24,000 square feet of commercial space.
    b. This project is scheduled to begin in the fall of 2012 with the ground work. The building will begin to be built next year.
2. Old Central Middle School Site
    a. This property can be used for a full parking lot with 397 spaces, or a partial parking lot with 220 spaces and 20 residential units.
3. Garden Gallery & Studio
    a. This property has undergone façade improvements, and has eliminated its front parking. It is part of the Downtown Core District.
4. Bailey's Bar & Grill
    a. This property has also undergone façade improvements, and has benefited from TIF Funds. It too has eliminated its front parking. It is part of the Neighborhood General District.

At this time Chairman Rea asked if there were any questions.

Bill Kendall asked how many children they estimate to be living at the Boulevard at Central Station. Mike Mertens noted that a study was done on this project, and it did not reflect the number of children that might be living there.

Mike Clark asked if the developer of the Boulevard at Central Station would be looking to receive an inducement. Mr. Mertens noted that the Village is working with the developer a on Class 8 real estate tax designation and working with the developer on a sale tax sharing incentive for up to 10 years.

Chairman Rea recognized Brad Bettenhausen, Village Treasurer, who presented a recap of the TIF District Equalized Assessed Valuation from 2001 to 2010, although the TIF District was formed in 2003. There was a decrease in the equalized assessed valuation of this TIF District this year. Chairman Rea noted that this TIF District will end in 2026.

There being no further questions, Chairman Rea called for a motion to adjourn. Motion was made by Michael Clark, Public Member, seconded by Bill Kendall, Bremen High School District 228, to adjourn the meeting of the TIF District Joint Review Board. Vote by voice call: Chairman Rea declared motion carried unanimously and adjourned the meeting at 4:31 p.m.

Attachment I

Official Statements regarding debt issues

FINAL OFFICIAL STATEMENT DATED JUNE 5, 2013

NEW ISSUE: Book-Entry Only
Non Bank Qualified

Standard and Poor's Investment Rating: AA+

Subject to compliance by the Village with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.

$11,340,000
VILLAGE OF TINLEY PARK
Cook and Will Counties, Illinois
General Obligation Bonds, Series 2013

Dated: Date of Delivery **Due: December 1, see inside cover**

The $11,340,000 General Obligation Bonds, Series 2013 (the "Bonds") of the Village of Tinley Park, Cook and Will Counties, Illinois (the "Village") will be issued in fully registered form in the denomination of $5,000 or authorized integral multiples thereof. Semi-annual interest shall be payable on each December 1 and June 1, commencing December 1, 2013. The Bond Registrar and Paying Agent for this issue is Wells Fargo Bank, N.A., Chicago, Illinois (the "Bond Registrar and Paying Agent"). The Bonds will be issued only in fully registered form and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as the securities depository of the Bonds. Individual purchases will be made in book-entry form only in denominations of $5,000 principal amount or any authorized integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. (See "THE BONDS - Book-Entry Only System.").

The Bonds are subject to optional redemption prior to maturity. See "THE BONDS – Redemption Prior to Maturity" herein.

The proceeds from the sale of the Bonds will be used to (i) currently refund the Village's outstanding Taxable General Obligation Bonds, Series 2010 (Build America Bonds-Direct Payment) (the "2010 Bonds") and (ii) pay certain expenses relating to the issuance of the Bonds. See "THE FINANCING – Purpose of the Bonds" herein.

The Bonds are secured by ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "THE BONDS – Security" herein.

This cover page contains certain information for quick reference only. It is not a summary for the Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the Village and received by Mesirow Financial, Inc. (the "Underwriter"), subject to prior sale, withdrawal or modification of the offer without notice and to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about June 20, 2013.

Underwriter:

Mesirow Financial, Inc.

Financial Advisor:

BAIRD

MATURITY SCHEDULE, AMOUNTS, INTEREST RATES, YIELDS AND CUSIPs

General Obligation Bonds, Series 2013

$4,535,000 Serial Bonds

Maturing December 1	Amount	Interest Rate	Yield	CUSIP [1] (Base: 887547)
2014	$405,000	3.000%	0.500%	PA9
2015	425,000	4.000	0.625	PB7
2016	445,000	4.000	0.900	PC5
2017	470,000	4.000	1.250	PD3
2018	500,000	4.000	1.500	PE1
2019	525,000	4.000	1.875	PF8
2020	555,000	4.000	2.150	PG6
2021	585,000	4.000	2.400	PH4
2022	625,000	4.000	2.625	PJ0

$6,805,000 Term Bonds

$1,370,000* 5.000% Term Bonds Due December 1, 2024 (Priced to Yield 2.950%) CUSIP[1] 887547PL5
$1,570,000* 5.000% Term Bonds Due December 1, 2026 (Priced to Yield 3.200%) CUSIP[1] 887547PN1
$1,795,000* 5.000% Term Bonds Due December 1, 2028 (Priced to Yield 3.375%) CUSIP[1] 887547PQ4
$2,070,000* 5.000% Term Bonds Due December 1, 2030 (Priced to Yield 3.500%) CUSIP[1] 887547PS0

*Subject to mandatory redemption. See "THE BONDS–Redemption Prior to Maturity" herein.
[1] CUSIP data herein is provided by Standard & Poor's CUSIP Bureau Service, a division of the McGraw-Hill Companies, Inc.

Certain information contained in this Official Statement has been obtained by the Village of Tinley Park (the "Village") from DTC and other sources that are deemed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information by the Village or the Financial Advisor. Nothing contained in this Official Statement is or shall be relied on as a promise or representation by the Financial Advisor. This Official Statement is being used in connection with the sale of securities as referred to herein and may not be used, in whole or in part, for any other purpose. The delivery of this Official Statement at any time does not imply that information in it is correct as of any time subsequent to its date.

No dealer, broker, salesman or other person has been authorized by the Village or by the Financial Advisor to give any information or to make any representations other than those contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Robert W. Baird & Co., in its role as Financial Advisor, assisted the Village in preparing the Official Statement. The Financial Advisor obtained information from the Village and other sources that it believed was reliable but cannot guarantee the accuracy or completeness of the information in this Official Statement.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any other sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village.

The tax advice contained in this Official Statement is not intended or written by the Village, its Bond Counsel, or any other tax practitioner to be used, and it cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer. The tax advice contained in this Official Statement was written to support the promotion or marketing of the Bonds. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

In connection with the offering of the Bonds, the Underwriter may overallot or effect transactions that stabilize or maintain the market price of the Bonds at a level above the level that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time without notice. The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE VILLAGE AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISK INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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Village of Tinley Park
16250 South Oak Park Avenue
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PROFESSIONAL SERVICES

Financial Advisor:	Robert W. Baird & Co, Naperville, Illinois
Bond Counsel:	Chapman and Cutler LLP, Chicago, Illinois
Bond Registrar, Paying Agent and Escrow Agent:	Wells Fargo Bank, N.A., Chicago, Illinois

OFFICIAL STATEMENT
of the
Village of Tinley Park
Cook and Will Counties, Illinois
Relating to its
$11,340,000
General Obligation Bonds, Series 2013

INTRODUCTION

This Official Statement, including the cover page hereof and the appendices hereto, is provided by the Village of Tinley Park, Cook and Will Counties, Illinois (the "Village") for the purpose of setting forth information to all who may become registered owners of the Village's $11,340,000 General Obligation Bonds, Series 2013 (the "Bonds") as authorized in an ordinance adopted by the President and Board of Trustees of the Village (the "Board") on June 4, 2013 (as supplemented by the Bond Order executed in connection with the sale of the Bonds, the "Ordinance").

THE FINANCING

Purpose of the Bonds

The Bonds are being issued for the purpose of (i) currently refunding the Village's outstanding Taxable General Obligation Bonds, Series 2010 (Build America Bonds-Direct Payment) dated December 22, 2010 (the "2010 Bonds"), maturing in the years 2013 through and including 2030 (the "Bonds to be Refunded") and (ii) paying certain expenses relating to the issuance of the Bonds. See "The Refunding" and the "The Bonds to be Refunded", herein.

The Refunding

On the delivery date of the Bonds, Wells Fargo Bank, N.A., Chicago, Illinois (the "Prior Paying Agent") will receive a portion of bond proceeds and $510,000 of cash on hand. Such amount will be sufficient to pay principal of and interest on the Bonds to be Refunded on the redemption date. Proceeds of the Bonds not being used to pay principal of and interest on the Bonds to be Refunded will be used to pay costs of issuance of the Bonds.

The Bonds to be Refunded

The following schedule sets forth the principal of the Bonds to be Refunded, which will be paid from the Escrow Account along with accrued interest.

Taxable General Obligation Bonds, Series 2010 (Build America Bonds-Direct Payment)

Maturities	Outstanding Amount	Refunded Amount	Redemption Price	Redemption Date
December 1, 2013	$ 510,000	$ 510,000	100%	July 8, 2013
December 1, 2014	520,000	520,000	100%	July 8, 2013
December 1, 2015	535,000	535,000	100%	July 8, 2013
December 1, 2016	550,000	550,000	100%	July 8, 2013
December 1, 2017	565,000	565,000	100%	July 8, 2013
December 1, 2018	590,000	590,000	100%	July 8, 2013
December 1, 2019	615,000	615,000	100%	July 8, 2013
December 1, 2020	640,000	640,000	100%	July 8, 2013
December 1, 2021 (1)	670,000	670,000	100%	July 8, 2013
December 1, 2022 (1)	705,000	705,000	100%	July 8, 2013
December 1, 2023 (1)	745,000	745,000	100%	July 8, 2013
December 1, 2024 (1)	780,000	780,000	100%	July 8, 2013
December 1, 2025	825,000	825,000	100%	July 8, 2013
December 1, 2026 (1)	865,000	865,000	100%	July 8, 2013
December 1, 2027 (1)	915,000	915,000	100%	July 8, 2013
December 1, 2028	970,000	970,000	100%	July 8, 2013
December 1, 2029 (1)	1,030,000	1,030,000	100%	July 8, 2013
December 1, 2030	1,090,000	1,090,000	100%	July 8, 2013
	$13,120,000	$13,120,000		

(1) Represents sinking fund payment.

Estimated Sources and Uses of Funds

Estimated Sources of Funds

Par Amount of the Bonds	$ 11,340,000.00
Transfer from Prior Debt Service Fund	510,000.00
Original Issue Premium	1,522,158.50
Total	$ 13,372,158.50

Estimated Uses of Funds

To Redeem the Bonds to be Refunded	$ 13,186,856.17
Costs of Issuance (1)	185,302.33
Total	$ 13,372,158.50

(1) Includes bond registrar and paying agent fees, financial advisor fees, underwriter's discount, legal fees, rating agency fees, printing and other miscellaneous costs of issuance.

THE BONDS

Authorization

The Bonds are issued pursuant to the Village's home rule powers as provided by Article VII, Section 6 of the 1970 Constitution of the State of Illinois (the "State"), the Illinois Municipal Code, as amended, the Local Government Debt Reform Act of the State, as amended, and pursuant to the Ordinance as duly authorized by the Board.

Security

The Bonds are secured by ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount (the "Full Faith and Credit Taxes"), except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Redemption Prior to Maturity

Optional Redemption: The Bonds maturing on or after December 1, 2024, are subject to redemption prior to maturity at the option of the Village from any available funds on December 1, 2023, and any date thereafter, in whole or in part, and if in part, in any order of their maturity as determined by the Village (less than all of the Bonds of a single maturity to be selected by the Bond Registrar) at a redemption price of par plus accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption: The Bonds maturing December 1, 2024, December 1, 2026, December 1, 2028 and December 1, 2030 (the "Term Bonds") are subject to mandatory sinking fund redemption in integral multiples of $5,000 selected by lot by the Registrar, on December 1 of each of the years and in the amounts set forth below at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

Term Bond Due December 1, 2024

Redemption Dates	Principal Amounts
December 1, 2023	$665,000
December 1, 2024(maturity)	705,000

Term Bond Due December 1, 2026

Redemption Dates	Principal Amounts
December 1, 2025	$760,000
December 1, 2026(maturity)	810,000

Term Bond Due December 1, 2028

Redemption Dates	Principal Amounts
December 1, 2027	$865,000
December 1, 2028(maturity)	930,000

Term Bond Due December 1, 2030

Redemption Dates	Principal Amounts
December 1, 2029	$1,000,000
December 1, 2030(maturity)	1,070,000

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the Village may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the Village Board shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

General: The Village will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); provided that such lottery shall provide for the selection for redemption of Bonds or portions thereof in principal amounts of $5,000 and integral multiples thereof.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any redemption will be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first-class U.S. mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption will be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the Village will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village will deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Ordinance, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Bond Registrar at the redemption price.

Registration, Payment and Transfer

The Bonds are issuable only as fully registered Bonds without coupons, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry only form, in the denomination of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interest in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee for DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as hereinafter defined) of the Bonds. See "THE BONDS – Book-Entry Only System" herein.

The Bonds will be issued in the original aggregate principal amounts as shown on the inside cover of this Official Statement. The Bonds will be dated the date of delivery and will bear interest from the later of that date or from the most recent interest payment date to which interest has been paid or duly provided for. Interest on the Bonds shall be payable semiannually on December 1 and June 1 of each year commencing on December 1, 2013. Interest on the Bonds shall be computed using a 360-day year and twelve 30-day months and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the inside cover of this Official Statement. The Bonds will be registered Bonds in the denomination of $5,000 or multiples thereof not exceeding for each maturity the principal amount of such maturity. The principal and interest shall be payable at the office maintained for the purpose by Wells Fargo Bank, N.A., Chicago, Illinois (the "Bond Registrar and Paying Agent") or such other paying agent as the Village may hereafter designate by notice mailed to the Bondholders. So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants and Indirect Participants (both as hereinafter defined), as more fully described below. Interest shall be paid when due by check or draft mailed to the registered owners of Bonds as shown on the registration books as of the fifteenth day of the calendar month preceding the payment date for each interest payment or at the request of a registered owner, by wire transfer to the registered owner's instructions.

Book-Entry Only System

The information in this section has been furnished by DTC. No representation is made by the Village, Bond Counsel, Local Counsel, Financial Advisor, or the Registrar and Paying Agent as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the Village, Bond Counsel, Local Counsel, Financial Advisor, or the Registrar and Paying Agent to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the Village nor the Registrar and Paying Agent will have any responsibility or obligation to DTC participants, indirect participants or the persons for which they act as nominees with respect to the Bonds, or for any principal or interest payment thereof.

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

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

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

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Village or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the Village takes no responsibility for the accuracy thereof.

The Village will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any other action taken by the Securities Depository or any Participant.

Transfer Outside Book-Entry Only System

In the event the book-entry only system is discontinued, the following provisions would apply to the Bonds. The Bond Registrar and Paying Agent will act as transfer agent and bond registrar and shall keep the registration books for the Bonds (the "Bond Register") at its principal office maintained for the purpose. Subject to the further conditions contained in the Ordinance, the Bonds may be transferred or exchanged for one or more Bonds in different authorized denominations upon surrender thereof at the principal office maintained for the purpose by the Bond Registrar and Paying Agent by the registered owners or their duly authorized attorneys; upon surrender of any Bonds to be transferred or exchanged, the Bond Registrar and Paying Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations. The Bond Registrar and Paying Agent shall not be required to transfer or exchange any Bond during the period of 15 days preceding the giving of notice of redemption of the Bonds or to transfer or exchange any Bond all or a portion of which has been called for redemption. The Village and Bond Registrar and Paying Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owner of such Bonds for all purposes under the Ordinance. No transfer or exchange made other than as described above and in the Ordinance shall be valid or effective for any purposes under the Ordinance.

THE VILLAGE OF TINLEY PARK

General Information

The Village of Tinley Park is located approximately 30 miles southwest of downtown Chicago. Its present incorporated boundaries cover approximately 16 square miles and include properties in Bremen, Orland, and Rich Townships in Cook County, and Frankfort Township in Will County. The Village has evolved over time from a rural commerce center and farm community to a progressive suburb of Chicago. Although primarily a residential community, it also has a diverse economic base with a variety of retail stores and shops, offices, light industry, and manufacturing. The proximity and easy access to the Chicago metropolitan area will continue to provide the Village with opportunities for further residential and commercial development.

The community was originally platted as the Village of Bremen (but was commonly known as New Bremen after its post office) in 1853 on the path of the Chicago, Rock Island and Pacific Railroad. The railroad played a prominent role in the growth and development of the community, and the Village quickly became a center of commerce and industry in the area. The Village was renamed in 1890 after the first railroad station agent, Samuel Tinley, Sr., who served the community in that capacity for over 25 years. It is believed that Mr. Tinley had also been the community's longest resident at that time. The citizens' election to incorporate as the Village of Tinley Park became official on June 28, 1892. Under the provision of the 1970 Illinois constitution, the Village automatically became a Home Rule Unit in 1980 when its population exceeded 25,000 and may exercise virtually any power and perform any function pertaining to its governmental affairs.

The Village of Tinley Park's population grew at a modest rate in the first half of this century, increasing from 300 in 1900 to 2,326 in 1950. After recording a population of 6,392 at the 1960 Census, the Village's population increased dramatically over the next three decades, increasing to 12,382 at the 1970 Census, 26,171 at the 1980 Census, and 37,121 at the 1990 Census. The Village's population has continued to steadily increase since 1990, with a Special Census recording 39,679 in 1992, 42,328 in 1995, 45,194 in 1998 and the 2000 Census recorded 48,401 residents (45,887 persons in Cook County and 2,514 in Will County). The 2010 decennial census reflected a population of 56,703 and the Chicago Metropolitan Agency for Planning ("CMAP") has projected a population of 82,934 in 2040.

The Village's municipal neighbors include Orland Park and Orland Hills to the north and west and Oak Forest to the north and east. Cook County Forest Preserves serve as the eastern boundary of the Village. The Village has boundary agreements with its municipal neighbors to the south, including Frankfort, Mokena, and Matteson. Tinley Park has cooperated with surrounding communities in planning for the development of the "I-80 Corridor", part of which is in the southern part of the Village. The growth along the I-80 Corridor is primarily focused on industrial and commercial developments which continue to add to the Village's economic and employment bases. Since 1995, nearly 950 lodging rooms have become available in the community with the construction of nine hotels between the Harlem Avenue and LaGrange Road interchanges of I-80. A full service Holiday Inn hotel with over 200 rooms is connected to the Village of Tinley Park's Convention and Conference Center which opened in October 2000. Located near Interstate 80 at the Harlem Avenue exit, the Convention and Conference Center just completed a major expansion in June of 2011. The Convention and Conference Center has 58,000 square feet of net contiguous exhibition space, 18 flexible "breakout" rooms ranging in size from 750 to 4,000 square feet, a business center for conventioneers, state of the art high-speed internet access and audio-visual equipment and 1,500 free parking spaces. The convention center is managed by the operator of the Holiday Inn hotel. With the completion of the expansion, the Convention and Conference Center is classified by industry publications as a "major exhibit hall." The expanded facilities can accommodate approximately 70% of all the meetings, conferences, conventions and trade shows held nationwide which greatly expands its potential markets.

The Village's transportation links have been, and will continue to be, instrumental in its growth. The Village is located near the intersection of two major interstate highways, Interstate 57 (north-south) and Interstate 80 (east-west) which offer convenient access to the other Chicago metropolitan expressways and tollways. Two interchanges on I-80 (north-south Routes 45 and 43) lie within the Village boundaries. Daily commuter rail service to and from Chicago is provided by Metra (Metropolitan Rail Service of the Regional Transportation Authority). The Metra commuter rail service reaches downtown Chicago in approximately 50 minutes from two commuter stations located in Tinley Park. O'Hare International Airport is approximately 30 miles north of the Village, Chicago's Midway Airport is 15 miles northeast, and small aircraft can be accommodated at the airport in Frankfort, just south of Tinley Park.

The Village has also received the following recognitions. In November of 2009, the Village was identified by Business Week Magazine's fourth annual survey "America's Best Places to Raise Your Kids" as the number one place in both Illinois and the Nation. In the April of 2010, Chicago Magazine recognized the Village among their list of "20 Best Towns and Neighborhoods in Chicago and the Suburbs." The Village is a national winner for Economic Development Excellence (Urban and Suburban Category) by the U.S. Department of Commerce EDA. The Village received the Award for

Municipal Excellence in Economic Development from the National League of Cities. The Village was placed in the top twelve cities in the United States for Leadership and Innovation in Economic Development from CoreNet Global Association of Real Estate Executives. Finally, the Village received the award for Top Ten Mayors in the United States from the World Mayor Project in London, England.

Population

The following table shows the population of the Village for the last six U.S. Censuses.

U.S. Census	Population	Percent Change
1960	6,392	174.8%
1970	12,382	93.7
1980	26,171	111.4
1990	37,121	41.8
2000	48,401	30.4
2010	56,703	17.2

Source: U.S. Census Bureau.

The following table shows the age distribution of the Village's population based on the 2007-2011 American Community Survey by the U.S. Census Bureau, as compared to the Counties and the State.

Category	The Village	Cook County	Will County	The State
Under 5 Years	6.3%	6.6%	7.4%	6.6%
5-9 Years	6.8	6.4	8.3	6.7
10-14 Years	6.4	6.6	8.4	6.9
15-19 Years	6.6	6.9	7.7	7.2
20-24 Years	5.2	7.1	5.4	6.9
25-34 Years	13.4	16.0	12.5	13.8
35-44 Years	14.0	13.8	16.3	13.7
45-54 Years	15.3	13.8	15.0	14.5
55-59 Years	7.9	5.9	5.5	6.2
60-64 Years	5.8	4.8	4.4	5.0
65-74 Years	6.2	6.2	5.2	6.5
75-84 Years	4.3	4.0	2.7	4.1
85 + Years	1.7	1.7	1.1	1.8
Median Age	38.8 Years	35.2 Years	35.2 Years	36.4 Years

Source: U.S. Census Bureau. 2007-2011 American Community Survey 5-year estimates.

Village Government

The Village of Tinley Park is governed by a President (Mayor) and Board of six trustees, all of whom are elected on an at large basis to four-year overlapping terms. Below is list of the Village's President and Board of Trustees.

		First Elected/Appointed	Term Expires
President:	Edward J. Zabrocki............	1981	May 2017
Village Clerk:	Patrick E. Rea....................	2009	May 2017
<u>Village Trustees</u>			
David G. Seaman		1984	May 2017
Gregory J. Hannon		1987	May 2015
Thomas J. Staunton, Jr.		2007	May 2015
Brian S. Maher		1999	May 2017
Patricia Leoni		2009	May 2015
T.J. Grady..		2010	May 2017

An appointed Village Manager (position created in 1974) is charged with the day-to-day responsibility of administering Board policy and supervising the Village's employees. The following is a list of all Village Department heads:

Position	Department Head	Start Date
Village Manager......................................	Scott R. Niehaus	2003
Village Treasurer.....................................	Brad L. Bettenhausen	1984
Police Chief..	Steven Neubauer	2012
Fire Chief	Kenneth C. Dunn	2004
Emergency Management.........................	Patrick Carr	2005
Public Works Director.............................	Dale Schepers	2004
Planning Director	Amy Connolly	2007
Economic Development Director	Ivan Baker	2003
Human Resources Director	Gerry Horan	2001
Marketing Director..................................	Donna Framke	1998

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Tax Assessments – Cook County

The County Assessor (the "County Assessor") is responsible for the assessment of all taxable real property within Cook County (the "County"), including real property within the Village, except for certain railroad property and pollution control facilities which are assessed directly by the Illinois Department of Revenue (the "Department of Revenue"). For triennial reassessment purposes, Cook County is divided into three sections: west and south suburbs, north and northwest suburbs, and the City of Chicago. The Village is located in the west and south suburbs and was reassessed for the 2008 tax levy year.

Real property in the County is separated into classifications for assessment purposes. After the County Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. The classification percentages effective for tax years through 2008 range from 16% for certain residential; industrial and commercial property to 36% and 38%, respectively, for other industrial and commercial property. Beginning with tax year 2009, the classification percentages have generally been reduced to 10% for all vacant land and residential properties, and 25% for all industrial and commercial properties.

Detailed information covering property tax assessment and collections can be found in the Statute 35 ILCS 200. For additional information on the Cook County tax assessment process please reference Chapter 74 of the <u>Cook County Code of Ordinances</u> at <u>www.municode.com/Resources/gateway.asp?pid=13805&sid=13</u> or visit the website of the Cook County Clerk at <u>www.cookcountyclerk.com</u>.

Tax Assessments – Will County

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

General Tax Assessment Process

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

Exemptions

State Statutes provide for exemptions for owner occupied residential property (Homeowner's Exemption). The maximum assessment deduction for counties with less than 3,000,000 inhabitants is $5,000 for tax year 2007 payable in 2008, $5,500 for tax year 2008 payable in 2009 and $6,000 for tax year 2009 payable in 2010 and thereafter. This exemption may be granted on a pro-rated basis for newly constructed homes based upon the number of days in the tax year the home was occupied by the taxpayer. An additional exemption is provided for homeowners aged 65 or over in the amount of $4,000 beginning tax year 2008. Additionally, senior citizens may qualify for their assessment to be frozen at its current value if certain income conditions are met. Other more specialized exemptions exist under State Statutes, but have limited general applicability. In addition, certain property is exempt from taxation on the basis of ownership and/or use, such as property owned by Federal, State, or local governments that is used for public purposes and certain not-for profit organizations such as churches or cemeteries. Detailed information covering property tax exemptions can be found in the State Statute 35 ILCS 200/4.

Property Valuations

The following table sets forth the Village's EAV and estimated market value for the last five fiscal years.

Property Valuations

Levy Year	Collection Year	Fiscal Year	EAV	Estimated Market Value	Percent Change
2007	2008	2009	$1,596,468,368	$4,789,405,104	7.03%
2008	2009	2010	1,761,707,602	5,285,122,806	10.35
2009	2010	2011	1,796,096,943	5,388,290,829	1.95
2010	2011	2012	1,812,100,741	5,436,302,223	0.89
2011	2012	2013	1,607,862,763	4,823,588,289	(11.27)

Per Capita 2011 EAV [(1)] $28,355.87
Per Capita 2011 Estimated Market Value [(1)] $85,067.60

[(1)] Based on the Village's 2010 census population of 56,703.
Source: The Village.

The following table sets forth the Village's EAV by use for the tax levy year 2007 through 2011.

Equalized Assessed Valuation by Use

Classification	2007	2008	2009	2010	2011
Residential	$ 1,191,691,159	$ 1,290,068,906	$ 1,401,077,313	$ 1,398,487,405	$ 1,230,479,660
Commercial	308,859,009	311,456,800	265,886,915	276,491,870	251,173,100
Industrial..........	95,726,455	159,990,610	183,585,081	137,016,739	126,102,615
Other	191,745	191,286	108,047	104,727	107,388
Total	$ 1,596,468,368	$ 1,761,707,602	$ 1,850,657,356	$ 1,812,100,741	$ 1,607,862,763

Source: The Cook and Will County Clerk's Offices.

Property Tax Rates

The Village's property tax rates expressed as a dollar for each $100 of EAV, for the tax levy years 2007 through 2011 are as follows:

Tax Rates by Purpose Per $100 of Equalized Assessed Valuation (1)

	Levy Years				
	2007	2008	2009	2010	2011
Corporate	$ 0.466	$ 0.462	$ 0.497	$ 0.524	$ 0.642
Social Security and IMRF.......................	0.106	0.102	0.105	0.102	0.115
Audit	0.002	0.002	0.002	0.002	0.002
Fire Protection..	0.081	0.075	0.077	0.099	0.112
Police Protection	0.081	0.076	0.076	0.076	0.085
Emergency Management Agency	0.052	0.048	0.049	0.038	0.042
Liability Insurance	0.047	0.053	0.057	0.050	0.056
Police Pension..	0.082	0.078	0.085	0.113	0.129
Bonds	0.016	0.015	0.021	0.020	0.023
Total Village Purposes.....................	$ 0.933	$ 0.910	$ 0.969	$ 1.024	$ 1.207

(1) Stated rates are for Cook County only, which represents the majority of the Village's tax base.
Source: The Cook County Clerk's Office.

The Village's property tax rates and those levied by other units of government expressed as a dollar for each $100 of EAV, for the tax levy years 2007 through 2011 are as follows:

Representative Property Tax Rates
Per $100 Equalized Assessed Valuation

	Levy Years				
	2007	2008	2009	2010	2011
Village of Tinley Park	$ 0.933	$ 0.910	$ 0.969	$ 1.024	$ 1.207
Cook County...	0.446	0.415	0.415	0.228	0.462
Metropolitan Water Reclamation District...........	0.263	0.252	0.261	0.274	0.320
Consolidated H.S. District No. 230	1.926	1.801	1.764	1.812	2.180
Kirby School District No. 140	3.649	3.654	3.564	3.710	3.910
Moraine Valley Comm. College No. 524	0.262	0.247	0.247	0.256	0.311
Tinley Park Park District	0.376	0.351	0.353	0.359	0.411
Tinley Park Library	0.294	0.288	0.301	0.317	0.357
All Other..	0.168	0.144	0.145	0.343	0.197
Total (1)	$ 8.316	$ 8.062	$ 8.019	$ 8.323	$ 9.355

(1) Tax rate applicable to the largest tax code in the Village.
Source: The Village and the Cook County Clerk's Office.

Tax Collections and Extensions

The Village adopts an itemized budget upon which hearings are held (typically in April of each year). The Village adopts a tax levy upon which a hearing is held if the Truth in Taxation Act applies (typically in December of each year). A tax levy amount must be filed by the Village with the respective Counties by the last Tuesday of December. Property taxes are collected by the County Treasurers who distribute to the Village its share of the collections. Taxes levied for expenditures of any year become due and payable in the following year. Real estate taxes are by statute payable in two installments during the year.

The first installment in Cook County is due March 1 and estimated based on the prior year's total tax bill. Beginning in tax year 2009, the first installment equals 55% of the prior year's total tax bill. This change was enacted to aid in leveling out the two installments. The second installment is due by statue on August 1. Tax year 2011 was the first time in 34 years that the second installment bill was issued in accordance with the statutory provided date.

The property tax bill in Will County is divided into two equal installments. The first installment is due on June 1 and the second installment is due September 1. The Village receives tax distributions from the County in five installments.

If an arrearage remains after the second payment is due, a Treasurer's tax sale occurs, usually within six months. Participants in this sale are not purchasing the actual property, but merely the taxes owed. Detailed procedures covering the sale of property for delinquent taxes are prescribed in 35 ILCS 205/238 et seq.

If no tax sale is made, taxes on real estate which are now delinquent for two years or more can be offered for sale at the "Scavenger" sale. The bidding at the scavenger sale is in ascending fixed dollar amounts and the highest bid is in satisfaction of the full amount of all delinquent taxes.

Upon sale of the Bonds an ordinance is filed with each County Clerk. In addition to the repayment terms of the Bonds, the ordinance levies the exact amount of taxes that must be collected each tax year to fully pay principal and interest on the Bonds. A tax rate based on the total equalized assessed valuation is annually established for the Village and taxes are extended and collected in the same manner as described above.

The following table sets forth the Village's tax levy and collections for the last five fiscal years and the levy for the current fiscal year.

Tax Levy and Collections

Levy Year	Collection Year	Total Taxes Extended	Total Cumulative Collections	
			Amount	Percent
2007	2008	$ 14,875,727	$ 14,632,732	98.4%
2008	2009	16,047,938	15,713,150	97.9
2009	2010	17,214,585	16,967,547	98.6
2010	2011	18,323,980	18,177,289	99.2
2011	2012	18,844,966	18,610,237	98.8
2012	2013	19,391,281	(In process of collection)	

Source: The Village.

Principal Taxpayers

The top ten taxpayers of the Village, their type of business and 2011 Equalized Assessed Value are as follows:

Taxpayers	Type of Business	2011 Equalized Assessed Valuation	Percent of Total [1]
New Plan Excel Prop	Retail Shopping Center	$ 14,052,206	0.87%
Panduit Corporation	Manufacturing – Plastic Components	9,565,025	0.59
Holiday Inn Select	Hotel	9,255,513	0.58
Inland Real Estate	Real Estate	8,818,954	0.55
K-Mart Corporation	Retail Shopping Center	8,644,776	0.54
Intercontinental	Hotel	8,354,083	0.52
DDR Brookside LLC [2]	Retail Property	7,878,358	0.49
Neja Group	Outdoor Amphitheater	6,838,066	0.43
International Imports	Auto Sales	6,461,052	0.40
Southwest Naper LTD Partnership [2]	Office Building	6,401,268	0.40
Total Ten Largest Taxpayers		$86,269,301	5.37%

(1) Based on the Village's 2011 EAV of $1,607,862,763.
(2) The Will County Clerk's Office.
Source: The Cook County Clerk's Office.

OTHER REVENUE

Other revenue includes grants, aid, revenue sharing and other entitlements from Federal and State government. Annually recurring intergovernmental revenue consists primarily of the 1% municipal portion of the retailer's occupation, service occupation and use tax, the Illinois motor vehicle fuel tax, and the Village's share of the State income tax.

Sales Tax

The Village receives a portion of the Illinois State sales tax collected in the Village. The following table sets forth the total sales tax receipts of the Village for the fiscal years ended April 30, 2009 through 2013.

Retailer's Occupation, Service Occupation and Use Tax

Fiscal Year Ended: April 30	Sales Tax Distributions	Annual Change
2009	$ 10,326,457	(3.4)%
2010	9,692,069	(6.1)
2011	10,598,680	9.4
2012	11,211,714	5.8
2013	11,985,716	6.9

Source: The Village.

Illinois Motor Vehicle Fuel Tax

The following table sets forth the motor fuel vehicle tax revenue received from the State for the fiscal years ended April 30, 2009 through April 30, 2013.

Illinois Motor Vehicle Fuel Tax

Fiscal Year Ended: April 30	Motor Fuel Tax Allocation	Annual Change
2009	$ 1,536,049	(6.1)%
2010	1,461,856	(4.8)
2011	1,481,605	1.4
2012	1,416,490	(4.4)
2013	1,362,813	(3.8)

Source: The Village.

Illinois State Income Tax

The following table sets forth the Illinois State income tax revenue received for the fiscal years ended April 30, 2009 through April 30, 2013.

Illinois State Income Tax

Fiscal Year Ended: April 30	State Income Tax Revenue	Annual Change
2009	$ 5,314,089	(1.0)%
2010	4,632,234	(12.8)
2011	4,547,250	(1.8)
2012	4,634,318	1.9
2013	5,110,104	10.3

Source: The Village.

VILLAGE DEBT

Debt Limitations

The Village has no general obligation debt limitation. It became a home rule unit of government under Article VII of the 1970 Illinois Constitution in 1980. On October 18, 2011 the Village adopted a Fiscal Policies Manual which enacted a debt limit of 8.625% of EAV which is comparable to the statutory limit for non home rule municipalities in the State. In tax year 2012, the Village abated 86% of its general obligation bond debt service. The highest abatement percentage was in 2001 and 2002 at 88.6%. The Village maintains an ongoing program of abating property taxes for debt service which are able to be paid through other revenue streams. Over the 31 years of the practice of abating debt service, the average was 81%.

Village's Retirement Schedule of Outstanding General Obligation Debt (1)

Fiscal Year April 30	Series 2008	Series 2009 (2)	Series 2009A	Series 2010 (3)	Series 2011	Series 2012 (4)	Series 2013 (3)	Bonds to be Refunded	Total Principal	Cumulative Amount	Retirement Percent
2014	$495,000	$780,000	$1,615,000	$510,000	$465,000	$610,000		($510,000)	$3,965,000	$3,965,000	9.03%
2015	$515,000	$685,000	$2,280,000	$520,000	$485,000	$750,000	$405,000	($520,000)	$5,120,000	$9,085,000	20.69%
2016	$535,000	$705,000	$1,965,000	$535,000	$485,000	$765,000	$425,000	($535,000)	$4,880,000	$13,965,000	31.80%
2017	$555,000	$715,000	$2,685,000	$550,000	$505,000	$780,000	$445,000	($550,000)	$5,685,000	$19,650,000	44.75%
2018	$580,000	$750,000	$2,865,000	$565,000	$530,000	$790,000	$470,000	($565,000)	$5,985,000	$25,635,000	58.38%
2019		$1,000,000		$590,000	$560,000	$725,000	$500,000	($590,000)	$2,785,000	$28,420,000	64.72%
2020		$1,050,000		$615,000	$585,000	$760,000	$525,000	($615,000)	$2,920,000	$31,340,000	71.37%
2021		$1,050,000		$640,000	$610,000		$555,000	($640,000)	$2,215,000	$33,555,000	76.42%
2022		$1,070,000		$670,000	$610,000		$585,000	($670,000)	$2,265,000	$35,820,000	81.58%
2023				$705,000	$660,000		$625,000	($705,000)	$1,285,000	$37,105,000	84.50%
2024				$745,000			$665,000	($745,000)	$665,000	$37,770,000	86.02%
2025				$780,000			$705,000	($780,000)	$705,000	$38,475,000	87.62%
2026				$825,000			$760,000	($825,000)	$760,000	$39,235,000	89.35%
2027				$865,000			$810,000	($865,000)	$810,000	$40,045,000	91.20%
2028				$915,000			$865,000	($915,000)	$865,000	$40,910,000	93.17%
2029				$970,000			$930,000	($970,000)	$930,000	$41,840,000	95.29%
2030				$1,030,000			$1,000,000	($1,030,000)	$1,000,000	$42,840,000	97.56%
2031				$1,090,000			$1,070,000	($1,090,000)	$1,070,000	$43,910,000	100.00%
	$2,680,000	$7,805,000	$11,410,000	$13,120,000	$5,495,000	$5,180,000	$11,340,000	($13,120,000)	$43,910,000		

(1) Debt information as of the delivery date of the Bonds. Includes the Bonds and excludes the Bonds to be Refunded.
(2) Approximately 33.7% of the debt service is supported by the Water and Sewer Fund and 9.7% by a dedicated portion of the Local Share of Income Tax received from the State.
(3) Approximately 40% of the debt service is supported by Hotel/Motel Taxes, 42.9% by a dedicated portion of the Local Share of Income Tax received from the State, 14.3% by the Water and Sewer Fund, 1.8% by the Stormwater Management Fund and 1.1% by the Main Street South TIF Fund.
(4) Approximately 50.3% of the debt service is supported by the Water and Sewer Fund, 30% by the Stormwater Management Fund and 19.7% by a dedicated portion of the Local Share of Income Tax received from the State.
Source: The Village.

Detailed Statement of Direct and Overlapping Bonded Indebtedness [1]

	Total Debt Outstanding	Self-Supporting	Net
General Obligation Bonds [2]	$ 43,910,000	$ 0	$ 43,910,000
Waterworks and Sewerage Revenue Bonds	560,000	560,000	0
Totals	$ 44,470,000	$ 560,000	$ 43,910,000

Per Capita Direct Bonded Debt [3]	$774.39
Percent of Direct Bonded Debt to 2011 EAV [4]	2.73%
Percent of Direct Debt to estimated 2011 Market Value [5]	0.91%

Overlapping Bonded Debt:	Outstanding Bonds		Percent %	Amount
School Districts				
Elementary School Districts				
Community Consolidated School District #146	$ 25,185,000		56.12%	$ 14,133,822
Summit Hill School District #161 (Will County)	68,194,997	(6)	39.19%	26,725,619
Elementary School District #159	32,324,576	(6)(7)	17.92%	5,792,564
Arbor Park School District #145	28,102,139	(6)	8.29%	2,329,667
School District #160	11,639,064	(6)	0.30%	34,917
High School Districts				
Consolidated High School District #230	57,515,000		16.16%	9,294,424
Bremen Community High School District #228	15,770,000		20.66%	3,258,082
Lincolnway High School District #210 (Will County)	269,794,161	(6)	9.25%	24,955,960
Rich Township High School District #227	43,730,000	(7)	7.03%	3,074,219
Community College Districts				
Moraine Valley Community College #524	77,670,000	(7)	7.61%	5,910,687
South Suburban Community College #510	14,998,297	(6)	8.20%	1,229,860
Joliet Community College #525 (Will County)	87,185,000	(7)	1.78%	1,551,893
Prairie State Community College #515	11,022,040	(6)	2.29%	252,405
Other than Schools				
Cook County (Includes Forest Preserve District)	3,804,385,000		0.85%	32,337,273
Will County (Includes Forest Preserve District)	192,512,082	(6)(7)	1.74%	3,349,710
Metropolitan Water Reclamation District of Greater Chicago	2,238,816,507		0.87%	19,477,704
Park Districts				
Tinley Park Park District	14,347,000		99.87%	14,328,349
Frankfort Square Park District	3,020,632	(6)(7)	35.64%	1,076,553
Mokena Park District	4,522,000		5.62%	254,136
Total Overlapping Bonded Debt:	$7,000,733,495			$ 169,367,845

Per Capita Overlapping Debt [3]	$2,986.93
Percent of Overlapping Debt to 2011 EAV [4]	10.53%
Percent of Overlapping Debt to estimated 2011 Market Value [5]	3.51%
Total Direct and Overlapping Bonded Debt:	$213,277,845
Per Capita Direct and Overlapping Debt [3]	$3,761.32
Percent of Direct and Overlapping Debt to 2011 EAV [4]	13.26%
Percent of Direct and Overlapping Debt to estimated 2011 Market Value [5]	4.42%

(1) Debt information for overlapping and direct debt is as of May 1, 2013 and the dated date of the Bonds, respectively.
(2) Includes the Bonds and excludes the Bonds to be Refunded.
(3) Based on the Village's 2010 census population of 56,703.
(4) Based on the Village's 2011 EAV of $1,607,862,763.
(5) Based on the Village's estimated 2011 Market Value of $4,823,588,289.
(6) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
(7) Excludes principal amounts of outstanding General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

Sources: The Village and the Cook and Will County Clerk's Offices.

Debt History

There is no record of default on obligations of the Village.

Short Term Borrowing

In November 2008, the Village authorized a $7 million Taxable General Obligation Line of Credit Note with First Midwest Bank which expired on November 6, 2011. The Village did not draw on the Line of Credit.

Future Financing

The Village does not anticipate issuing additional debt in the next twelve months.

LABOR CONTRACTS

The Village has 184 full time employees and approximately 265 part time and seasonal employees. Approximately 55.4% of the full time employees are represented by labor organizations. The following table illustrates the labor organizations that represent the Village employees, the number of members and the expiration date of the present contracts.

Labor Unions	Membership	Contract Expiration Date
Police Officers	61	April 30, 2012 [1]
Public Works Employees	41	April 30, 2014
Total	102	

[1] New Police contract still in negotiation.
Source: The Village

PENSION PLANS [1]

Illinois Municipal Retirement Fund

Plan Descriptions

The Village's defined pension plan for regular employees provides retirement and disability benefits, post retirement increase, and death benefits to plan members and beneficiaries. The Village is a participating employer with the Illinois Municipal Retirement Fund ("IMRF"), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

Funding Policy

As set by statute, the Village's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's actual contribution rates for calendar years 2012 and 2011 used by the Village were 13.81% and 13.88%, respectively, of annual covered payroll. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

[1] Source: The Village's Audited Financial Statements for the fiscal year ended April 30, 2012.

Annual Pension Cost

For fiscal year 2012, the Village's annual pension cost of $1,568,325 was equal to the required and actual contributions.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percent of APC Contributed	Net Pension Obligation
April 30, 2012	$1,568,325	100.00%	-
April 30, 2011	1,499,834	100.00%	-
April 30, 2010	1,364,158	100.00%	-

The required contribution for calendar year 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0% annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20.0% corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability ("UAAL") at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funding Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the regular plan was 61.35% funded. The actuarial accrued liability ("AAL") for benefits was $30,024,056 and the actuarial value of assets was $18,420,498, resulting in a UAAL of $11,603,558. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was $11,294,717 and the ratio of the UAAL to the covered payroll was 103.0%.

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Schedule of Funding Progress
Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry-Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
December 31, 2011	$18,420,498	$30,024,056	$11,603,558	61.35%	$11,294,717	102.73%
December 31, 2010	16,896,654	28,116,663	11,220,009	60.09	10,904,953	102.89
December 31, 2009	15,476,915	27,121,699	11,644,784	57.06	11,050,083	105.38

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiles Statutes and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The Village presents the plan as a Pension Trust Fund within this report. No separate report is issued for the pension trust fund.

Covered employees are currently required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by State Statute. The Village is required to contribute at an actuarially determined amount. The employer rate for fiscal year ended April 30, 2012, was 24.74% of covered payroll. The employer contribution is funded by property taxes. The combination of employee contributions, employer contribution (tax levy) and investment earnings collectively provide for the plan benefits and expenses. Contributions and benefits are recognized when due and payable pursuant to formal commitments, as well as statutory or contractual requirements rather than the period in which employee services are performed. Refunds are recognized as paid.

The Village's annual pension cost and net pension (asset) of the Plan for the year ended April 30, 2012, were as follows:

Annual required contribution	$1,964,280
Interest on net pension obligation	(60,007)
Adjustments to annual required contribution	553,903
Annual pension cost (APC)	2,458,176
Contributions made	2,204,188
Increase in net pension asset	253,988
Net pension (asset), beginning of year	(1,411,147)
Net pension (asset), end of year	$(1,157,159)

The annual required contribution for the year ended April 30, 2012, was determined as part of the April 30, 2011, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 5.5%, (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's UAAL is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2012, was 21 years.

Trend Information – Schedule of Employer Contributions

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percent of APC Contributed	Net Pension Obligation (Asset)
April 30, 2012	$2,458,176	$2,204,188	89.7%	$(1,157,159)
April 30, 2011	1,941,556	1,584,771	81.6%	(857,244)
April 30, 2010	1,447,429	1,441,809	99.6%	(1,213,868)

Funding Status and Funding Progress

As of April 30, 2012, the most recent actuarial valuation date, the Police Pension Plan was 72.3% funded. The AAL for benefits was $65,231,327 and the actuarial value of assets was $47,187,633, resulting in a UAAL of $18,043,694. The covered payroll (annual payroll of active employees covered by the plan) was $6,731,721 and the ratio of the UAAL to the covered payroll was 284.9%.

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Schedule of Funding Progress
Police Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry-Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
April 30, 2012	$46,050,458	$65,231,327	$19,180,869	70.6%	$6,731,721	284.9%
April 30, 2011	43,497,563	60,478,664	16,981,101	71.92	6,405,212	265.11
April 30, 2010	38,532,632	56,117,025	17,584,393	68.66	6,522,884	269.58
April 30, 2009	32,559,551	52,118,070	19,558,519	62.47	6,242,342	313.32

Membership in the plan consisted of the following as of April 30, 2012:

Retirees and beneficiaries receiving benefits	38
Terminated plan members entitled to but not yet receiving benefits	2
Active vested plan members	52
Active nonvested plan members	22
Total	114

OTHER POST-EMPLOYMENT BENEFITS [1]

Plan Descriptions

The Village provides limited health care insurance coverage for its eligible retired employees. Dependent coverage is available to eligible retired employees at an additional cost to the retiree. This is a single-employer plan. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements. Retirees receive coverage under the Village's health plan with a limited employer contribution rate applied toward the premiums for the coverage elected by the employee. For fiscal year 2012, the Village contributed $527,276 to the plan.

Annual OPEB Costs and Net OPEB Obligation

The Village's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any UAAL (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the Village's annual OPEB cost for the year ended April 30, 2012, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution	$1,164,685
Interest on net OPEB obligation	128,973
Adjustments to annual required contribution	(85,982)
Annual OPEB cost (expense)	1,207,676
Contributions made	527,276
Increase in net OPEB obligation	680,400
Net OPEB liability, beginning of year	2,579,451
Net OPEB liability, end of year	$3,259,851

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2012	$1,207,676	43.7%	$3,259,851
April 30, 2011	1,331,407	24.5%	2,579,451
April 30, 2010	1,266,628	41.6%	1,573,706

Funding Status and Funding Progress

As of April 30, 2012, the most recent actuarial valuation date, the plan was not funded. The AAL for benefits was $15,236,208, and the actuarial value of assets was $0, resulting in a UAAL of $15,236,208. The covered payroll (annual payroll of active employees covered by the plan) was $17,061,005, and the ratio of the UAAL to the covered payroll was 89.30%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

(1) Source: The Village's Audited Financial Statements for the fiscal year ended April 30, 2012.

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Schedule of Funding Progress
Postemployment Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry-Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
April 30, 2011	$ -	$15,236,208	$15,236,208	0.00%	$17,061,005	89.30%
April 30, 2010	-	14,285,906	14,285,906	0.00	16,459,219	86.80
April 30, 2009	-	14,108,935	14,108,935	0.00	14,999,067	94.07

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in AALs and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2012 actuarial valuation (the most recent available), the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, 5.0% projected salary increases, and an annual healthcare cost trend rate of 8.0% initially, reduced by decrements to an ultimate rate of 6.0%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2012 was 30 years.

SUMMARY OF HISTORICAL FINANCIAL OPERATIONS

Budget Process

The Village typically starts its annual budget preparation near the end of each calendar year, preparing projections of expected revenues for both the current and upcoming fiscal years; obtaining operating budget expenditure projections for the current year; as well as operating budget and capital expenditure requests for the ensuing fiscal year from Village department heads. The Treasurer and Village Manager review these requests and provide recommendations to the Village Board committees on the various departmental budgets, based on the requests and the expected revenue sources to support the activities. The Village Board then meets to review the proposed budgets in their entirety, generally during the month of March. It is the Village Board's policy that the primary operating and enterprise funds reflect a balanced budget prior to approval. Most of the other Village funds including capital projects and special revenue funds are not subject to this requirement since they are generally designed to accumulate funds for later expenditure. The budget details are finalized and presented at a Public Hearing, and adopted by the Village Board, typically during the month of April, so that the budget is completed and approved prior to the start of the new fiscal year. The Village did not adopt any budget amendments applicable to fiscal year 2012 or 2013.

Summary of Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request.

General Fund - Balance Sheet
Fiscal Years Ended April 30, 2009 Through 2012

	2009	2010	2011	2012
Assets:				
Cash and equivalents	$ 8,935,232	$ 9,653,715	$ 12,876,558	$ 19,406,700
Receivables				
Property taxes	10,498,850	10,740,398	11,160,909	11,467,189
Accounts	342,041	419,019	444,445	684,282
Intergovernmental	3,891,373	4,588,316	4,422,208	5,279,605
Total assets	$ 23,667,496	$ 25,401,448	$ 28,904,120	$ 36,837,776
Liabilities:				
Accounts payable	$ 848,763	$ 786,530	$ 1,049,824	$ 1,261,026
Accrued payroll	807,034	612,349	18,000	79,561
Deposits	5,629	2,044	6,666	5,197
Due to other funds	88,456	0	0	29,921
Advance from other funds	0	0	0	2,423,498
Unearned revenue	15,342,602	17,814,667	0	0
Deferred revenue			18,780,035	19,426,927
Total liabilities	$ 17,092,485	$ 19,215,590	$ 19,854,525	$ 23,226,130
Fund Balances:				
Unassigned/Unreserved	$ 6,575,011	$ 6,185,858	$ 9,049,595	$ 8,679,443
Assigned	0	0	0	4,932,203
Total fund balance	$ 6,575,011	$ 6,185,858	$ 9,049,595	$ 13,611,646
Total liabilities and fund balance	$ 23,667,496	$ 25,401,448	$ 28,904,120	$ 36,837,776

Source: The Village's Comprehensive Annual Financial Report for the fiscal years 2009, 2010, 2011 and 2012.

General Fund - Statement of Revenues, Expenses and Changes in Fund Balances
Fiscal Years Ended April 30, 2009 Through 2012

	2009	2010	2011	2012
Revenues:				
Program:				
Charges for services	$ 479,046	$ 284,934	$ 249,097	$ 1,212,089
Licenses, permits and fees	2,250,019	1,842,159	1,932,931	2,362,163
Intergovernmental	5,624,525	3,665,383	5,065,752	5,337,424
Fines, forfeitures and reimbursements	944,587	991,793	1,141,023	1,235,729
General:				
Property taxes	14,567,561	16,068,095	17,181,481	18,428,532
Other taxes	11,331,420	10,836,238	12,211,389	13,763,745
Interest	284,646	194,891	136,999	174,710
Miscellaneous	343,601	328,467	419,650	722,626
Total revenues	$ 35,825,405	$ 34,211,960	$ 38,338,322	$ 43,237,018
Expenditures:				
General government	$ 2,468,780	$ 2,408,113	$ 2,821,870	$ 3,819,595
General overhead	2,370,968	2,143,671	1,834,249	1,982,874
Police	14,213,405	14,228,341	14,791,900	15,840,062
Fire	3,612,339	3,366,651	3,537,261	3,939,515
Emergency management agency (EMA)	940,193	946,120	832,658	802,958
Road and bridge	3,904,176	3,504,827	3,396,081	3,163,606
Electrical	958,486	904,966	1,012,108	1,043,256
Municipal building and grounds	703,259	613,593	686,568	659,885
Community development	1,235,150	1,227,885	1,273,282	1,381,718
Boards, commissions and committees	146,978	117,520	129,062	175,254
Senior bus services	96,904	76,789	78,864	79,569
Village bus services	27,320	37,986	37,932	40,333
Economic incentives	744,183	807,392	1,336,331	1,528,621
Debt service	0	0	0	77,873
Capital outlay	0	0	0	355,251
Total expenditures	$ 31,422,141	$ 30,383,854	$ 31,768,166	$ 34,890,370
Excess of revenues over expenditures	$ 4,403,264	$ 3,828,106	$ 6,570,156	$ 8,346,648
Other financing sources (uses):				
Bond issuance	$ 0	$ 0	$ 0	$ 1,570,500
Premium on bond issuance	0	0	0	60,443
Transfers in	26,532	114,754	293,885	222,670
Transfers (out)	(5,186,836)	(4,332,013)	(4,000,304)	(7,141,252)
Payment to escrow agent	0	0	0	(1,552,500)
Total other financing sources (uses)	$ (5,160,304)	$ (4,217,259)	$ (3,706,419)	$ (6,840,139)
Changes in fund balance	(757,040)	(389,153)	2,863,737	1,506,509
Fund balance – beginning of year (May 1, 2011)	7,332,051	6,575,011	6,185,858	12,105,137 [(1)]
Fund balance – end of year (April 30, 2012)	$ 6,575,011	$ 6,185,858	$ 9,049,595	$ 13,611,646

[(1)] Includes an adjustment of $3,055,542 as a result of implementing GASB 45. Certain funds, which were previously reported as special revenue funds, no longer meet the criteria for reporting as such and are now reported as part of the General Fund. These funds include Storm Water Management, Hotel/Motel Tax, Main Street Development, Local Road Improvements, Train Station Operation and Maintenance, and Fire Alarm.

Source: The Village's Comprehensive Annual Financial Report for the fiscal years 2009, 2010, 2011 and 2012.

ECONOMIC PROFILE

Employment

The employment opportunities available to residents in the Village and the surrounding metropolitan area have contributed to a very favorable employment rate for the Village. The following table sets forth the rates of unemployment for the Village, the Counties, the State and the United States for the last five years and the most recent month available in 2013.

Comparative Unemployment Rates

Year	The Village	Cook County	Will County	The State	United States
2008	4.9%	6.4%	6.1%	6.4%	5.8%
2009	8.6	10.4	10.1	10.0	9.3
2010	9.5	10.8	10.7	10.4	9.6
2011	8.6	10.3	10.1	9.7	8.9
2012	7.7	9.3	9.0	8.9	8.1
2013 (1)	8.8	10.5	11.0	10.5	8.1

(1) as of February 2013.

Source: Illinois Department of Employment Security, Department of Economic Information and Analysis.

According to the 2007-2011 American Community Survey by the U.S. Census Bureau, Village residents have a wide variety of occupations. The following table categorizes occupations for employed residents 16 years of age and older for the Village, the Counties and the State.

Occupational Categories

Occupational Category	The Village	Cook County	Will County	The State
Management, professional, and related occupations	38.4%	37.1%	35.5%	35.9%
Service occupations	13.3	17.5	14.7	16.7
Sales and office occupations	27.7	25.4	26.9	25.6
Natural resources, construction, and maintenance occupations	8.0	6.7	9.3	7.9
Production, transportation and material moving occupations	12.7	13.4	13.7	14.0
Total	100.0%	100.0%	100.0%	100.0%

Source: U.S. Census Bureau, 2007-2011 American Community Survey 5-year estimates.

According to the 2007-2011 American Community Survey by the U.S. Census Bureau, Village residents work in a variety of industries. The following table categorizes the industries that residents (16 years of age and older) are employed by for the Village, the Counties and the State.

Industry Category

Industry Category	The Village	Cook County	Will County	The State
Agriculture, forestry, fishing and hunting, and mining	0.1%	0.2%	0.5%	1.1%
Construction	6.4	5.1	7.0	5.7
Manufacturing	10.6	11.0	12.3	12.8
Wholesale trade	3.1	2.9	3.8	3.3
Retail trade	13.5	9.9	11.8	10.9
Transportation and warehousing, and utilities	5.8	6.3	7.6	5.9
Information	1.3	2.5	2.1	2.2
Finance, insurance, real estate, and rental and leasing	9.5	8.7	7.3	7.7
Professional, scientific, management, administrative, and waste management services	9.5	13.3	10.5	11.0
Educational services, health care and social assistance	23.6	21.8	21.2	22.1
Arts, entertainment, recreation, accommodation and food services	7.4	9.5	7.9	8.7
Other services (except public administration)	4.8	5.0	4.4	4.8
Public administration	4.3	3.8	3.7	3.9
Total	100.0%	100.0%	100.0%	100.0%

Source: U.S. Census Bureau, 2007-2011 American Community Survey 5-year estimates.

The following table reflects the diversity of the major employers in the Village by the products manufactured or services performed and the approximate number of employees.

Representative Large Employers

Company	Business Product	Employees
Comcast Corporation	Customer Service Call Center	650
Kirby School District 140 (1)	Elementary School District	588
Village of Tinley Park (1)	Municipal Government	449
Springfield Service Corp.	Call Center	350
Target	Retail Store	325
Panduit Corporation	Manufacturer – Networking and Electrical	300
St. Coletta's of Illinois	Not-for-profit foundation	300
American Sale	Swimming Pools, Spas, Christmas	300
Consolidated High School District 230	High School District	264
Consolidated School District 146	School District	254
Menards	Retail Store	230
Southwest Community Service	Contract Packaging & Assembly	220

(1) Includes full-time and part-time employees.
Sources: Phone canvass of employers and 2013 Illinois Services and Manufacturers Directories.

Education

The educational background of Village residents as compared to the Counties and the State is illustrated in the following table:

Education Levels For Persons 25 Years of Age And Older

Educational Attainment	The Village	Cook County	Will County	The State
Less than 9th grade	3.1%	7.9%	4.1%	5.8%
9th or 12th grade, no diploma	4.0	8.3	5.8	7.5
High school graduate	27.9	24.7	28.1	27.6
Some college, no degree	23.2	19.2	22.9	21.1
Associate degree	9.6	6.2	7.8	7.3
Bachelor's degree	22.0	20.5	20.2	19.1
Graduate or professional degree	10.3	13.2	11.1	11.6
Percent high school graduate or higher	92.9	83.7	90.2	86.6
Percent bachelor's degree or higher	32.2	33.7	31.3	30.7

Source: U.S. Census Bureau, 2007-2011 American Community Survey 5-year estimates.

Estimated Retail Sales

The following table reflects the breakdown of retail sales according to major purchase categories for the Village, the Counties and the State for the calendar year ended 2012.

2012 Comparative Retail Sales By Classification

	Village of Tinley Park		Cook County		Will County		State of Illinois	
	Retail Sales	Percent of Total	Retail Sales	Percent of Total	Retail Sales	Percent of Total	Retail Sales	Percent of Total
General Merchandise	$97,609,331	12.49%	$6,739,231,330	11.06%	$1,080,297,060	13.99%	$20,733,160,619	12.95%
Food	79,932,664	10.23%	8,419,221,663	13.81%	799,209,277	10.35%	20,039,884,170	12.51%
Drinking and Eating Places	78,224,578	10.01%	9,767,032,872	16.03%	777,227,652	10.07%	19,393,712,304	12.11%
Apparel	9,754,724	1.25%	3,301,345,750	5.42%	137,839,122	1.79%	5,994,201,569	3.74%
Furniture and Radio	8,904,857	1.14%	2,950,910,773	4.84%	363,553,697	4.71%	7,189,768,053	4.49%
Lumber and Building Hardware	33,621,390	4.30%	2,474,282,817	4.06%	491,541,339	6.37%	7,718,024,120	4.82%
Automotive and Gas Stations	341,210,856	43.67%	11,706,952,001	19.21%	1,942,990,900	25.17%	35,836,192,341	22.37%
Drugs and Miscellaneous Retail	93,132,928	11.92%	9,316,729,123	15.29%	1,185,687,553	15.36%	24,308,647,928	15.18%
Agriculture and All Others	35,275,602	4.52%	5,219,604,475	8.56%	766,800,665	9.93%	16,053,676,578	10.02%
Manufacturers	3,595,852	0.46%	1,049,292,421	1.72%	175,379,149	2.27%	2,895,646,767	1.81%
Totals	$781,262,782	100.00%	$60,944,603,225	100.00%	$7,720,526,414	100.00%	$160,162,914,449	100.00%

Source: Illinois Department of Revenue.

Housing and Construction

A history of building permits in the Village for the last five calendar years is as follows:

Building Permits

	Single Family		Multi-Family			
Year	Number of Units	Value	Number of Units	Value	Other Value	Total Value
2008	21	$ 5,661,770	9	$ 1,540,000	$ 90,609,082	$ 97,810,852
2009	3	710,000	4	512,000	30,090,802	31,312,802
2010	7	1,494,900	2	244,000	29,770,008	31,508,908
2011	9	1,828,800	0	-	42,915,781	44,744,581
2012	12	2,886,800	0	-	32,292,098	35,178,898

Source: The Village.

According to the 2007-2011 American Community Survey by the U.S. Census Bureau, 86.5% of the 20,728 occupied housing units in the Village were owner-occupied. The median home value of owner occupied homes in the Village was $249,100. Selected home value data relative to values of owner-occupied housing units in the Village compared with the Counties and the State are provided in the table below.

Median Home Values

Value of Specified Owner-Occupied Units	The Village	Cook County	Will County	The State
Under 50,000	1.0%	2.8%	2.2%	6.7%
$50,000 to $99,999	1.1	5.0	3.4	13.8
$100,000 to $149,999	5.7	10.0	10.4	14.2
$150,000 to $199,999	20.7	15.7	20.1	15.8
$200,000 to $299,999	38.5	26.9	33.0	22.1
$300,000 to $499,999	31.0	26.2	24.2	18.7
$500,000 to $999,999	1.9	10.9	6.2	7.2
$1,000,000 or more	0.2	2.6	0.5	1.6
Median Home Value	$249,100	$256,900	$236,300	$198,500

Source: U.S. Census Bureau, 2007-2011 American Community Survey 5-year estimates.

Income

The following table sets forth the distribution of household income derived from the 2007-2011 American Community Survey by the U.S. Census Bureau for the Village compared with the Counties and the State.

Income Statistics

Household Income	The Village	Cook County	Will County	The State
Under $10,000	2.3%	8.1%	3.1%	6.8%
$10,000 to $14,999	2.4	4.9	2.7	4.7
$15,000 to $24,999	6.5	10.4	6.7	10.1
$25,000 to $34,999	9.4	9.7	7.0	9.7
$35,000 to $49,999	10.3	13.0	10.7	13.2
$50,000 to $74,999	17.8	17.8	18.9	18.5
$75,000 to $99,999	18.0	12.4	16.3	13.2
$100,000 to $149,999	20.3	13.0	20.7	13.7
$150,000 to $199,999	8.4	5.1	8.5	5.1
$200,000 or more	4.5	5.6	5.5	5.0
Median Household Income	$77,097	$54,598	$76,453	$56,576
Median Family Income	$90,482	$65,842	$86,372	$69,658
Per Capita Income	$32,986	$29,920	$30,199	$29,376

Source: U.S. Census Bureau, 2007-2011 American Community Survey 5-year estimates.

BOND RATING

Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., has assigned its rating of "AA+" to the Bonds. There is no assurance that such rating will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Any rating assigned represents only the view of the rating agency. The definitions furnished by the rating agency for its rating may be obtained from the rating agency.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Village's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds (i) is excludable from the gross income of the owners thereof for federal income tax purposes, (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations but Bond Counsel expresses no opinion as to whether interest on the Bonds is taken into account in computing adjusted current earnings, which is used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bonds in the initial public offering at the Issue Price for such maturity and who holds such OID Bonds to its stated maturity, subject to the condition that the Village complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bonds constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bonds at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code; (d) such original issue discount is not taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (e) the accretion of original issue discount in each year may result in certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the holders of the Bonds may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Bond Counsel expresses no opinion as to the treatment of interest expense for financial institutions owning the Bonds for purposes of Section 265(b)(7) of the Code. Financial institutions should consult their tax advisors concerning such treatment.

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel") who has been retained by and acts as Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements of information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Village, reviewed only those portions of this Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), and the description of the federal tax exemption of interest on the Bonds. This review was undertaken solely at the request and for the benefit of the Village and did not include any obligation to establish or confirm factual matters set forth herein.

CONTINUING DISCLOSURE

The Village will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") under the Securities Exchange Act of 1934. The information to be provided on an annual basis pursuant to the Undertaking, the types of events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under "The Undertaking."

A failure by the Village to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "The Undertaking—Consequences of Failure of the Village to Provide Information." A failure by the Village to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Village failed to file its audited financial statements for the fiscal years ended April 30, 2010 and April 30, 2011 within the time periods specified in a prior continuing disclosure undertaking. The Village has filed such audited financial statements. The Village is establishing procedures to ensure that such audited financial statements will be filed in a timely manner in the future.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the Village and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the Village.

Annual Financial Information Disclosure

The Village covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) annually to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. The Village is required to deliver such information within 210 days after the last day of the Village's fiscal year (currently April 30). MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

"Annual Financial Information" means the financial information and operating data consistent with the information contained in the Official Statement under the sections: "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES" and "VILLAGE DEBT" (excluding Overlapping Debt).

"Audited Financial Statements" means the combined financial statements of the Village prepared in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

Reportable Events Disclosure

The Village covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents filed with EMMA, including financial statements and other externally prepared reports. The "Events" are:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security
- Modifications to the rights of security holders
- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the securities, if material
- Rating changes
- Bankruptcy, insolvency, receivership or similar event of the Village*
- The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement to any such actions, other than pursuant to its terms, if material
- Appointment of a successor or additional trustee or the change of name of a trustee, if material

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

Consequences of Failure of the Village to Provide Information

The Village shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the Village to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order to cause the Village to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Ordinance, and the sole remedy under the Undertaking in the event of any failure of the Village to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the Village by resolution authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

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

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

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

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the Village shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

The Undertaking shall be terminated if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance. The Village shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

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

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its Electronic Municipal Market Access (EMMA) system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

LITIGATION

There is no controversy or litigation of any nature now pending against the Village, or to the knowledge of its officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Village taken with respect to the issuance or sale thereof, or the pledge or application or any moneys or security provided for the payment of the Bonds or the existence of the Village or any of its powers, or the use of the proceeds of the Bonds.

There is no other controversy of any nature now pending against the Village, or to the knowledge of its officers, threatened, which, if successful, would materially adversely affect the operations or financial condition of the Village.

UNDERWRITING

The Bonds have been purchased at a public, competitive sale by Mesirow Financial, Inc. (the "Underwriter") at a price of $12,777,108.50 (par plus a reoffering premium of $1,522,158.50 less an Underwriter's discount of $85,050.00). The Underwriter is committed to take and pay for all of the Bonds if any are taken. The Underwriter has represented to the Village that the Bonds have been subsequently re-offered to the public initially at the prices set forth on the inside cover of the Official Statement. The Underwriter reserves the right to join with other dealers and other underwriters in offering the Bonds to the public.

FINANCIAL ADVISOR

Robert W. Baird & Co., Naperville, Illinois (the "Financial Advisor"), has been retained by the Village to provide certain financial advisory services to the Village. The Financial Advisor's fees are expected to be paid from Bond proceeds.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Bond Counsel has not participated in the preparation of this Official Statement and will not pass on its accuracy, completeness or sufficiency. Bond Counsel has not examined or attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement, and will express no opinion with respect thereto. The execution and delivery of this Official Statement by its President has been duly authorized by the Village.

In accordance with SEC Rule 15c2-12, the Preliminary Official Statement is deemed Final.

OFFICIAL STATEMENT AUTHORIZATION

The Village will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming to the Underwriter that, to the best of its knowledge and belief, the Official Statement with respect to the Bonds, together with any supplements thereto at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain any untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

This Official Statement has been duly executed and delivered by the Village.

Village of Tinley Park, Cook and Will Counties, Illinois

By: /s/ Edward J. Zabrocki
Its: President

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Appendix A

Village of Tinley Park

BASIC FINANCIAL STATEMENTS AND RELATED NOTES

Fiscal Year Ended April 30, 2012

This appendix contains the general purpose financial statements (excluding supplemental financial information) and related notes for the Village's fiscal year ended April 30, 2012. The general purpose financial statements and related notes were prepared by the Village in accordance with generally accepted accounting principles and were audited by McGladrey LLP. The Village did not request the approval of McGladrey LLP, and did not include in this appendix its independent auditor's report dated December 28, 2012. The Village's Treasurer has advised, and will certify to the Underwriter, that the information contained in this appendix fairly represents the financial condition of the Village and there has been no material adverse change in the financial condition of the Village from the date of the independent auditor's report to the date of delivery of the Bonds. The supplemental financial information for the fiscal year ended April 30, 2012 is available from the Village.

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McGladrey

Independent Auditor's Report

To the Honorable President and
Members of the Board of Trustees
Village of Tinley Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Tinley Park, Illinois, as of and for the year ended April 30, 2012, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Tinley Park, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Tinley Park, Illinois, as of April 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, as of May 1, 2011, the Village adopted the reporting and disclosure requirements of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2012 on our consideration of the Village of Tinley Park's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 - 16), schedules of funding progress (pages 66 – 69) and budgetary schedules (pages 70 – 93) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Village of Tinley Park's basic financial statements. The combining and individual fund financial statements and other schedules as listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Tinley Park's basic financial statements. The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

McGladrey LLP

Chicago, Illinois
December 28, 2012

Required Supplemental Information

Management's Discussion And Analysis (MD&A)

Village of Tinley Park, Illinois

Management's Discussion and Analysis

April 30, 2012

The Village of Tinley Park's (the "Village") management discussion and analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page i) and the Village's financial statements (beginning on page 17).

Using the Financial Section of this Comprehensive Annual Report
For more than 20 years, the primary focus of local governmental financial statements had been summarized fund type information on a current financial resource basis. This approach was modified by the Government Accounting Standards Board, and beginning with the fiscal year ended April 30, 2004, the Village's financial statements present two kinds of statements, each with a different snapshot of the Village's finances. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

Government-Wide Financial Statements
The government-wide financial statements (see pages 17-19) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see page 19) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including public safety (police, fire, and emergency services), public works (road and bridge, and facilities maintenance), and administration. Shared state sales and income taxes, and the local property tax finance the majority of these services. The Business-type Activities reflect private sector type operations (Waterworks and Sewerage, and Commuter Parking Lot), where the fee for service is typically expected to cover all or most of the cost of operation, including depreciation.

Fund Financial Statements
Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. However, the focus is on Major Funds rather than fund types of the previous reporting model.

The Governmental Funds (see pages 20-23) are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police Pension and certain Agency funds, see pages 29-30). While these Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 24-28) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 21 and 23). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide financial statements).

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) were not reported nor depreciated in governmental financial statements. The Governmental Accounting Standards Board Statement No. 34 (GASB 34) requires that these assets be valued and reported within the Governmental column of the Government-Wide Financial Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential of such assets to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful lives. If a road project is considered maintenance – a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" (resurfacing) of a road is considered maintenance and thus expensed, whereas a "rebuild" (reconstruction) of a road will be capitalized.

Government-Wide Financial Statements

Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by $264.7 million as of April 30, 2012, for the primary government (the "Village"), and by $9.5 million for its component unit, the Tinley Park Public Library (the "Library"). As of April 30, 2011, assets exceeded liabilities by $247.1 million for the primary government (the "Village"), and by $8.1 million for its component unit, the Tinley Park Public Library (the "Library").

A significant portion of the Village's net assets as of April 30, 2012 (71%) reflects its investment in capital assets (i.e., land, land improvements, storm sewers, water mains, buildings, equipment, and vehicles), less any related debt that is still outstanding which was used to acquire those assets. The Village uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 on the following page summarizes the Statement of Net Assets for the prior and current fiscal years.

Table 1
Statement of Net Assets
As of April 30, 2011
(In millions)

	Governmental Activities	Business-Type Activities	Total Primary Government
Current Assets	$83.4	$19.9	$103.3
Other Assets	1.9	.1	2.0
Capital Assets	184.8	35.4	220.2
Total Assets	270.1	55.4	325.5
Current Liabilities	27.7	2.1	29.8
Non Current Liabilities	40.2	8.4	48.6
Total Liabilities	67.9	10.5	78.4
Net Assets:			
Invested in Capital Assets, Net of Related Debt	155.2	27.9	183.1
Restricted	13.4	-	13.4
Unrestricted	33.6	17.0	50.6
Total Net Assets	$202.2	$44.9	$247.1

Statement of Net Assets
As of April 30, 2012
(In millions)

	Governmental Activities	Business-Type Activities	Total Primary Government
Current Assets	$85.6	$20.8	$106.4
Other Assets	0.2	1.4	1.6
Capital Assets	196.7	34.0	230.7
Total Assets	282.5	56.2	338.7
Current Liabilities	26.9	1.9	28.8
Non Current Liabilities	37.3	7.9	45.2
Total Liabilities	64.2	9.8	74.0
Net Assets:			
Invested in Capital Assets, Net of Net of Related Debt	161.2	26.0	187.2
Restricted	12.5	-	12.5
Unrestricted	44.6	20.4	65.0
Total Net Assets	$218.3	$46.4	$264.7

For more detailed information see the Statement of Net Assets (pages 17-18).

The Village's combined net assets (the Village's equity) increased $17.6 million from $247.1 million to $264.7 million. Net assets of the Village's governmental activities were $218.3 million and increased by $16.2 million from the prior year. $12.0 million is represented by net additions to Capital Assets ($15.3 million of additions less $3.3 million in deletions). Other assets decreased $0.4 million, liabilities decreased $3.0 million and current assets increased $3.1 million. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, were $44.6 million and increased by $11.0 million over the prior year. Due to the change in classification of restricted assets under GASB 46, now only legally imposed restrictions by outside sources are shown. The net assets of business-type activities were $46.4 million and increased by $1.5 million.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

- **Net Results of Activities** – will impact (increase/decrease) Current Assets and Unrestricted Net Assets.
- **Borrowing for Capital** – will increase Current Assets and Non Current Liabilities (Long-Term Debt).
- **Spending Borrowed Proceeds on New Capital** – will reduce Current Assets and increase Capital Assets. There is also a second impact, an increase in the Invested in Capital Assets portion of Net Assets and an increase in Related Debt which will not change the Invested in Capital Assets, Net of Related Debt.
- **Spending of Non-borrowed Current Assets on New Capital** – will (a) reduce Current Assets and increase Capital Assets; and (b) will reduce Unrestricted Net Assets and increase Invested in Capital Assets, Net of Related Debt.
- **Principal Payment on Debt** – will (a) reduce Current Assets and reduce Non Current Liabilities (Long-Term Debt); and (b) reduce Unrestricted Net Assets and increase Invested in Capital Assets, Net of Related Debt.
- **Reduction of Capital Assets through Depreciation** – will reduce Capital Assets and Invested in Capital Assets, Net of Related Debt.

Current Year Impacts

The Village's net assets increased by $17.7 million during the current fiscal year. Governmental activities resulted in an increase in net assets of $16.2 million while Business-Type activities increased net assets by $1.5 million. Capital outlay associated with governmental activities increased net assets by $15.3 million, and repayment of principal on outstanding debt decreased net assets by $5.9 million. Operating income from Business-Type activities, inclusive of depreciation, increased net assets by $1.1 million, and non-operating revenues and expenses increased net assets by $1.5 million.

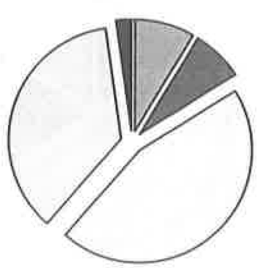
Changes in Net Assets

The following Table 2 summarizes the revenues and expenses for the prior and current fiscal years and highlights the Changes in Net Assets.

Table 2
Changes in Net Assets
For the Fiscal Year Ended April 30, 2011
(In millions)

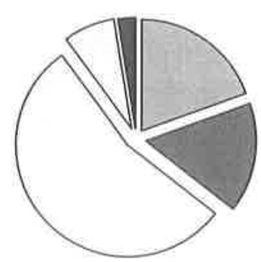
	Governmental Activities	Business-Type Activities	Total Primary Government
REVENUES			
Program Revenues			
Charges for Services	$4.4	$16.4	$20.8
Operating and Capital Grants & Contributions	3.8	0.2	4.0
General Revenues			
Property Taxes	22.8	-	22.8
Other Taxes	18.5	-	18.5
Miscellaneous	1.1	0.2	1.3
Total Revenues	50.6	16.8	67.4
EXPENSES			
General Government	8.1	-	8.1
Public Works	6.7	17.3	24.0
Public Safety	22.6	-	22.6
Social Services	3.1	-	3.1
Interest	1.0	-	1.0
Total Expenses	41.5	17.3	58.8
Excess (deficiency) before transfers	9.1	(0.5)	8.6
Transfers	0.0	(0.0)	0.0
CHANGE IN NET ASSETS	9.1	(0.5)	8.6
ENDING NET ASSETS	$202.2	$ 44.9	$247.1

2011 Governmental Activities Revenues



Charges for Services, Operating Grants, Property Taxes, Other Taxes, Other

2011 Governmental Activities Expenses



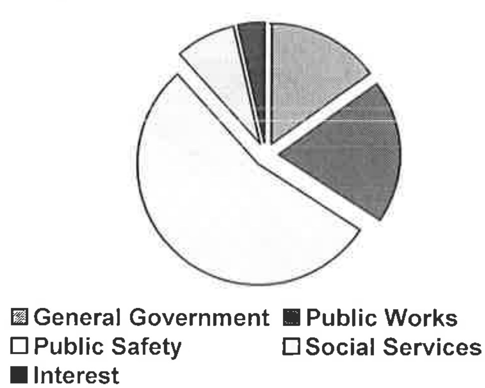
General Government, Public Works, Public Safety, Social Services, Interest

Table 2 (continued)
Changes in Net Assets
For the Fiscal Year Ended April 30, 2012
(In millions)

	Governmental Activities	Business-type Activities	Total Primary Government
REVENUES			
Program Revenues			
Charges for Services	$ 4.8	$17.9	$ 22.7
Operating and Capital Grants & Contributions	6.5	0.4	6.9
General Revenues			
Property Taxes	24.1	-	24.1
Other Taxes	19.7	-	19.7
Miscellaneous	4.4	0.1	4.5
Total Revenues	59.5	18.4	77.9
EXPENSES			
General Government	6.5	-	6.5
Public Works	8.2	17.1	25.3
Public Safety	23.4	-	23.4
Social Services	3.5	-	3.5
Interest	1.5	-	1.5
Total Expenses	43.1	17.1	60.2
Excess before transfers	16.4	1.3	17.7
Transfers	(0.2)	0.2	0.0
CHANGE IN NET ASSETS	16.2	1.5	17.7
ENDING NET ASSETS	$218.3	$ 46.4	$264.7

2012 Governmental Activities Revenues

2012 Governmental Activities Expenses



Normal Impacts
There are eight basic impacts on revenues and expenses as reflected below.

Revenues:

- **Economic Condition** – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

- **Increase/Decrease in Village Board approved rates** – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fees, building fees, home rule sales tax, etc.).

- **Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)** – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

- **Market Impacts on Investment income** – the Village's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

Expenses:

- **Introduction of New Programs** – within the functional expense categories (Public Safety, Public Works, General Government, Social Services, etc.) individual programs may be added or deleted to meet changing community needs.

- **Increase in Authorized Personnel** – changes in service demand may cause the Village Board to increase/decrease authorized staffing.

- **Salary Increases (annual adjustments and merit)** – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

- **Inflation** – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

Revenues:
For the fiscal year ended April 30, 2012, revenues from all activities totaled $77.9 million. The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services provided.

The property tax revenues derived from governmental activities increased approximately 5.7% over the prior year.

Due to a unique set of circumstances, taxes generated within the Oak Park Avenue, Main Street North and Main Street South Tax Increment Finance (TIF) Districts combined increased by approximately $100,000 in comparison to the prior year ($5.4 million in Fiscal Year 2012 and $5.3 million in Fiscal Year 2011) even though the overall tax base of the three TIF Districts decreased 15.3% between tax years 2010 and 2011. The Village of Tinley Park established these three TIF districts to encourage both new development and redevelopment in certain targeted areas of the community with an objective to stabilize and potentially increase the local tax base. Under TIF statutes, the taxable property values of each parcel located within the boundaries of the district are frozen at the inception of the TIF for distribution of taxes to the various taxing agencies that derive taxes from these properties. The property taxes generated by any subsequent increase in taxable property values (the increment), are distributed to the

Village to assist in making necessary public improvements, or undertake other activities to encourage and promote development.

Even though the Village is a Home Rule community and does not have any restrictions as to the amounts that can be requested from property taxes, the Village follows a formula for determining the annual property tax levy that establishes a limit on the annual tax levy request. This formula limits the tax levy to increase annually by no more than the rate of inflation plus new growth. The Tinley Park Public Library's annual property tax levy is determined using the same formula. The tax base of the Village decreased 11.3% from tax year 2010 to 2011, primarily in the three Cook County quadrants of the community (13.2% decrease) as part of the regular triennial reassessment process. 2011 marks the first reassessment cycle for the southern portion of Cook County since the recent Recession and this reassessment reflects its effects on the real estate market. The Will County portion of the Village's tax base decreased 3.6%, also attributable to the downturn in the economy and its effects on real estate. The Cook County Board approved a change to the assessment classifications beginning with tax year 2009 whereby virtually all residential property is assessed at 10% of fair value, and commercial/industrial property is assessed at 25% of fair value. When a classified system is used for assessments (where property is assessed at different rates depending on use), under Illinois statutes, the property must still be assessed at 1/3 of fair value overall. Because all property classes are now below this 1/3 (33.33%) benchmark, this change contributed to a significant increase in the Cook County Equalization Factor. Any change in the Equalization Factor (also referred to as the Multiplier) results in an increase or decrease of the overall tax base without changing the underlying property assessments.

The Expanded Homeowner Exemption was introduced in tax year 2005 by the Cook County Assessor to mitigate the impacts of large increases in property values arising from the triennial reassessment cycles. The program was designed to spread the impact of reassessment over several years rather than all in one year. As a result, many homeowners saw large annual increases in their taxes. The Expanded Homeowner Exemption is being phased out and will return to a standard flat homeowner exemption in tax year 2014. Reflecting the continued phase out, the total of all homeowner based exemptions decreased by 51.8% from tax year 2010 to 2011. Similar to the Equalization Factor, the changes in the homeowner exemptions results in an increase or decrease of the overall tax base without changing the underlying property assessments.

Intergovernmental revenues increased in Fiscal Year 2012 when compared to the prior year primarily from increases in per-capita revenue sharing received from the State of Illinois. This is discussed in further detail below.

The State of Illinois distributes several tax items to municipalities based on population including Motor Fuel, Income, and Use taxes. The Tinley Park Public Library (component unit) receives an annual Per-Capita grant which is also based on population.

The Village established a policy beginning in 1989 to set aside a portion of the State income tax distributions received to be used exclusively for major capital projects within the community. Under this policy, 30.58% of all income tax receipts are segregated and earmarked for capital projects. The direct effect of this policy is to limit the portion of income tax receipts that may be used to support general operations of the Village to the State's income tax distribution allocation levels that existed prior to the 1989 increase in income tax rates and the subsequent changes in the formula for State income tax revenues distributable to municipalities through the Local Government Distributive Fund. This bold action reflects the Village Board's fiscal restraint and long range financial planning. The earmarked share of the income tax revenues is transferred to a Village Capital Projects fund annually at the end of the fiscal year. Allowing these funds to remain in the General Fund throughout the fiscal year provides the Village the opportunity to utilize this cash flow throughout the year, and minimize the need for short-term borrowing or the establishment of a separate working cash fund.

In the past, the monthly income tax distributions were generally paid to municipalities within 30 days of determination of the amounts due. Due to the State's own fiscal problems, the State began increasing the lag time between determination of the per-capita distribution and the physical payment. This lag time has been as much as six months, and was a four month lag at the end of fiscal year 2012. This delay has impacted the revenue recognition for State income taxes due to the uncertainty of when the funds owed will be distributed. The timing of the State distributions has been factor in the change in intergovernmental revenues between fiscal years 2011 and 2012. If the income tax distributions were compared on a regular month to month basis without consideration of timing of the actual payment, income tax revenues for fiscal year 2012 would have been 2% higher than the prior year as opposed to the 34% increase reflected in the accompanying financial statements.

License revenues decreased 19.4% (over $141,000) overall in Fiscal Year 2012 over the prior year. Cable franchise fees increased by 7.7% ($64,000) when compared to the prior year. Building permit revenues increased 23.7% ($69,000) in relation to the prior year. Residential construction during the year continued to be slow as a result of the economy. Calendar year 2011 saw only nine (9) new construction residential building permits issued. This was on par with the prior calendar year. In over three decades of building permit activity history, no year had fewer new construction residential permits issued than in calendar 2009. Based on all building permits issued in calendar 2011, all types of building activity added $44.7 million dollars of new construction and improvements to community.

Sales tax revenues (municipal occupation taxes) increased 4.3% (over $500,000) during Fiscal Year 2012 over the prior year. This increase more predominately reflects improved retail and automotive sales due to improving local economic conditions.

The Village has continued to participate in a cooperative enforcement program with the U.S. Customs Bureau and the Department of Justice whereby the Village receives a portion of assets seized under this program. These funds are restricted for uses associated with police activities and public safety. The cash flow from these seizure funds has slowed in recent years due to the extended legal process required to authorize release of seized assets for distribution. Additionally, due to changes in the asset sharing guidelines, the Village no longer receives a share of seizures that total less than $2,500. Revenues under the Customs Seizures program increased 195.2% ($119,000) over the prior fiscal year. Despite these favorable statistics, the Customs Seizures revenue totaled a modest $159,000 in fiscal year 2012.

During Fiscal Year 2012, the Village's earnings from investments decreased by 31.8% over the prior fiscal year. This decrease was primarily due to declining interest rates throughout the year. Even with overall investment earnings decreasing, the Village's effective yield continued to be in line with established benchmarks. The Village of Tinley Park has traditionally considered investment earnings as a supplement to the annual operating budgets of the various funds and not considered as an integral component of operating revenues or essential to the support of budgeted expenditures during the fiscal year.

The net assets of the Tinley Park Police Pension Fund increased $2.6 million (5.8%) during Fiscal Year 2012. There was a 15.0% increase in the employee contributions that would be primarily attributable to wage increases. Investment gains for the current fiscal year in the Police Pension Fund totaled nearly $600,000.

In the fall of 1999, the Pension Fund authorized investing in equity securities (stocks and insurance contracts) to diversify its investment portfolio and to increase overall investment returns. The first ten years of equity investment proved to be less than satisfying with the investment managers all too frequently seemingly following a warped adage of "buy high and sell low." The generally disappointing performance of the equity sector of the portfolio has been a significant impact on the increase in the actuarially determined "employer" contribution, which correspondingly places a greater burden on the taxpayers of the Village to fund this defined benefit pension plan.

Expenses:
The Village's total expenses for all activities for the year ended April 30, 2012 were $60.2 million. Public Works activities ($25.3 million) accounted for the largest share (39%) of the total expenditures. The Village provides Lake Michigan water to its residents, as well as two other municipalities and a private utility company (primarily serving a third municipality) through intergovernmental agreements and contracts. The water supply is purchased from the Village of Oak Lawn. In turn, Oak Lawn obtains the treated Lake Michigan water supply from the City of Chicago. The Village maintains its own wastewater collection system, but the water reclamation and solid waste disposal (also commonly referred to as sewerage treatment) is performed by other governmental agencies and a private utility company. Additionally, the Village operates and maintains storm water collection and storage facilities throughout the community. The waterworks, sewerage and storm water management operations accounted for 65% of the total Public Works activities for the fiscal year. The remaining public works activities relate to the maintaining of Village streets, street lighting, commuter parking lots, municipal buildings, and related facilities.

Public safety expenses are related to the operations of the Police and Fire Departments, as well as the Emergency Management Agency which accounted for $23.4 million (36%) of the total expenses. The Village has an authorized strength of 81 full-time sworn police personnel and 72 of these positions are currently filled. The patrol officers are members of the Metropolitan Alliance of Police (MAP) collective bargaining unit and their current contract ends April 30, 2012.

The Village of Tinley Park participates in an insurance risk pool (Intergovernmental Risk Management Agency – IRMA) which provides all liability and workers compensation coverage beyond a basic deductible for each claim. The annual contribution (premium) is based on the participating agency's prior revenues, and further adjusted for prior claims experience. The Village's general liability insurance contribution increased approximately $127,000 in the current fiscal year over the prior fiscal year. This change was partially the result of a higher five year average of revenues which is used as the basis for the annual contribution calculation. In addition, the Village received a credit for favorable claims experience which also contributed to the reduction in the total contribution. The cost of providing employee benefits (health insurance, etc.) continues to increase.

Financial Analysis of the Village's Funds

Governmental Funds
At April 30, 2012, the governmental funds (as presented on the balance sheet on page 20, and the statement of revenues, expenditures, and changes in fund balance on page 22) reported a combined fund balance of $61.1 million. Revenues and other financing sources were more than expenditures and other financing uses in Fiscal Year 2012 by $1.8 million. General Fund expenditures were approximately $5 million under budget and reflect financial monitoring and controls implemented in regard to spending as well as some lower than anticipated costs.

The Capital Improvements Fund intergovernmental revenues were less than projections by 39.3% ($2.6 million), primarily due to the timing of grant distributions not received from the Illinois Department of Transportation. Expenditures constituted 43.4% ($9.9 million) of the budget. The annual Capital Improvements Fund budget does include a number of contingency and reserve items that would only be utilized in emergency situations. These unspent budgeted reserves contribute significantly to the favorable budget to expenditure relationship that exists in this Fund. Additionally, due to a variety of reasons, some of the departmental capital requests that had been approved and included in the adopted budget were unable to be purchased or expended within the fiscal year. As the budgetary authority lapses at fiscal year-end, these unspent capital requests generally must be re-requested and re-authorized in the following fiscal year, should the department determine they are still necessary.

The Village of Tinley Park established a Storm Water Management Fund in April 2004, as well as imposing a Storm Water Management Utility Fee based on water consumption to provide revenues toward support of the operation and maintenance of the various storm water facilities and infrastructure within the community; and toward construction of new storm water facilities and infrastructure. This action was driven in large part by requirements imposed by the National Pollution Discharge Elimination System (NPDES) rules and regulations issued by the U.S. Environmental Protection Agency which are designed toward protecting our natural land and water resources including lakes, streams, and other waterways, from erosion and storm water pollution. This new charge was first assessed beginning with August 2004 utility billing. At this time, a portion of the storm water management activities, including operation, maintenance, and repair of existing storm sewers, detention and retention ponds and related facilities continue to be funded through the General Fund and Capital Projects Funds. The revenues generated by storm water management utility fees contribute only a small portion of the construction, operation and maintenance of the existing storm water facilities located throughout the community. Accordingly, this fund has been classified as a special revenue fund in this financial report.

Proprietary Funds
The budget approved for the Waterworks and Sewerage Fund reflected expenditures in excess of revenues by approximately $1.9 million, before depreciation and non operating revenues and expenses.

The fiscal year financial activities included a number of capital improvements and scheduled infrastructure replacements being funded from net assets accumulated in earlier years that were components of this budgetary "loss." The actual revenues for the fiscal year were 7.5% over budget for the year primarily in the sale of water and sewer services and an increase in utility rates. Expenditures were 23.1% ($4.2 million) under budget for the year. The budgetary savings in expenditures were primarily in the area of capital projects that had been approved, but due to engineering, bidding, and other timing considerations, were unable to be undertaken or completed within the fiscal year. For construction projects with approved contractual obligations, the budget is re-authorized in the following fiscal year for the remainder of the project. Budgeted projects that were not initiated or expended during the fiscal year will be re-evaluated for inclusion in subsequent budgets.

The Village Board completed a utility rate study in 2009 to review the rate structures and assess the adequacy to cover operating expenses and provide for necessary reserves to provide for future rehabilitation or replacement of system components. A series of incremental rate increases have been implemented as a result of this study to move the Waterworks and Sewerage Fund toward the recommended and desired fiscal and financial objectives. Additionally, the City of Chicago announced a series of annual rate increases impacting the Lake Michigan water supply beginning in 2012 and continuing through 2015. These increases will be automatically incorporated into the Village's wholesale and retail rates as they become effective. As noted, these increases contributed to the favorable comparison of actual revenues to budgeted revenues.

General Fund Budgetary Highlights
The Village typically starts its annual budget preparation near the end of each calendar year, preparing projections of expected revenues for both the current and upcoming fiscal years; obtaining operating budget expenditure projections for the current year; as well as operating budget and capital expenditure requests for the ensuing fiscal year from Village department heads. The Treasurer and Village Manager review these requests and provide recommendation to the Village Board committees on the various departmental budgets, based on the requests and the expected revenue sources to support the activities. The Village Board then meets to review the proposed budgets in their entirety, generally during the month of March. It is the Village Board's policy that the primary operating and enterprise funds reflect a balanced budget prior to approval. Most of the other Village funds including capital projects and special revenue funds are not subject to this requirement since they are generally designed to accumulate funds for later expenditure. The budget details are finalized and presented at a Public Hearing, and adopted by the Village Board, typically during the month of April, so that the budget is completed and approved prior to the start of the new fiscal year. The Village did not adopt any budget amendments applicable to fiscal year 2012. On the following page is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

Table 3
General Fund Budgetary Highlights
(In millions)

General Fund	**Original and Final Budget**	**Actual**
Revenues and Other Financing Sources		
Taxes	$32.1	$31.3
Licenses/charges for services	1.9	2.3
Intergovernmental	4.9	5.3
Fines and penalties	0.8	1.2
Reimbursements/Other/Miscellaneous	0.5	0.5
Total	**40.2**	**40.6**
Expenditures and Other Financing Uses		
General government	6.4	5.3
Public works	6.1	4.9
Public safety	22.4	20.6
Social services	4.0	3.1
Other financing uses	1.2	6.5
Total	40.1	40.4
Change in Fund Balance	$ 0.1	$ 0.2

As shown above, the General Fund budget was anticipated to have a surplus of $0.1 million; however, actual results provided a $0.2 million surplus. Actual revenues were more than budget by $0.4 million, and actual expenditures were more than budget by $0.3 million.

As noted earlier, the Village annually transfers a portion of the income tax distributions received from the State of Illinois to a Capital Improvements (Projects) Fund for future expenditures to benefit the community. Additionally, it has also been a long established practice of the Village Board to make year-end transfers of cash funds from the General Fund to the Capital Projects Fund, and other "reserve" funds in excess of a predetermined cash balance (including investments) and fund balance. The desired cash balance (including investments) is determined in consideration of a number of factors and has been maintained well in excess of $1,000,000 for many years. The funds transferred to the Capital Projects Fund are used to finance capital expenditures in subsequent fiscal years as well as certain contingency reserves. It is these year end transfers, which are not specifically budgeted, that primarily contribute to the unfavorable expenditure to budget variance noted earlier. This process provides the Village with greater fiscal control over operating budgets and expenditures, plan for future capital expenditures, as well as minimizing the need for frequent debt financing. This policy also minimizes the impact of unanticipated contractions in the revenue stream during any given fiscal year on capital acquisitions and replacements that had been scheduled and budgeted to occur within that fiscal year.

Capital Assets

At the end of the Fiscal Year 2012, the Village (primary government) had a combined total of capital assets of $230.7 million (after accumulated depreciation of $89.9 million). This investment is found in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, bridges, water mains, storm sewers, and sanitary sewers.

The Net Capital Assets of the Village increased by about $10.5 million over Fiscal Year 2011. For more detailed information on capital assets, refer to the table on the following page and Footnote 5 in the basic financial statements found on pages 42 through 44.

Table 4
Total Capital Assets at Year End
Net of Depreciation
(In millions)

	Balance 4/30/11	Net Additions/Deletions	Balance 4/30/12
Land	$ 118.0	$ 1.3	$ 119.3
Buildings and property	36.7	1.8	38.4
Machinery and Equipment	4.6	0.0	4.6
Waterworks and sewer system	32.2	(1.8)	30.4
Parking lot	1.1	0.0	1.1
Construction in Progress (infrastructure)	27.6	9.3	36.9
Total Capital Assets	$220.2	$10.5	$230.7

Debt Outstanding
During the fiscal year, the Village of Tinley Park retired about $3.9 million of debt.

The Village Board has a long established practice of abating a substantial portion of the annual debt service requirements on the various outstanding general obligation bonds utilizing certain available funds or funding sources to minimize the impact on the community's property owners. The abatements of the debt service requirements for the 2011 tax year totaled over $5.7 million. All owners of real property in Tinley Park receive the benefit of these abatements. Tinley Park property owners generally receive a comparable or greater annual benefit through this abatement process than through tax rebate programs that have become politically popular in other communities in the area. The Village's program of annual abatements also benefits the business community which no other local tax rebate program considers. In fact, most municipal rebate programs established by other communities are predominately financed at the expense of the business community. The Village finds the concept of rebate programs to be generally fiscally unsound and administratively costly and has absolutely no plans to implement such a tax rebate program in the foreseeable future. The Village Board feels strongly that it is a better fiscal policy to have only taxed for what is necessary in the first place, than to create false illusions of an extra property owner benefit through a rebate program structure.

For more detailed information on the Village's debt, refer to Footnote 6 in the basic financial statements on pages 44 through 48.

Economic Factors
The financial condition of the Federal and State governments has had an effect on the Village of Tinley Park during Fiscal Year 2012 and is expected to continue into Fiscal Year 2013. The State of Illinois' financial condition has resulted in delayed payments for rent, utility services, grants, and other operating expenses and reimbursements. The Village has often found it necessary to provide funding from other sources to complete or continue certain capital projects which involve State funding, as the distribution of the grant funds or other payments by the State agencies had been significantly delayed. New grant assistance through the State has been substantially reduced and is extremely competitive. Previously reliable State shared revenues (most notably the income taxes) have been delayed, and changes in the State allocation formulas are periodically being proposed for legislative consideration. The Village has long history of established fiscal policies, special revenue funds, and other reserves to provide for its ability to continue operations for a period of time should changes in economy or its normal revenue streams occur. While the financial issues particularly associated with the State of Illinois are yet to be resolved, they have not caused insurmountable, immediate, or long-term concerns to the Village. It may need to reevaluate its operations, consider increasing other revenue sources, and/or reduce expenditures should there be significant or permanent changes in normal funding received through these sources in the future.

The Illinois General Assembly imposed property tax legislation on municipalities and other taxing bodies to give property taxpayers some tax relief by limiting the increase in tax levy dollars allowed each year. The Property Tax Extension Limitation Law (PTELL) limits an annual levy increase to the lower of the consumer price index (CPI) or five percent, plus new growth, and mandates the use of the prior year equalized assessed valuation (EAV) amounts to provide additional limits on the tax extension. This "tax cap" continues to limit the taxing authority of the majority of taxing bodies that overlap or share boundaries with the Village of Tinley Park. Qualifying as a Home Rule Unit under the Illinois Constitution, the Village of Tinley Park, inclusive of the Tinley Park Public Library as a component unit (which is considered a direct part of the Village's tax levy), is not subject to these State imposed tax cap requirements. However, as previously noted, the Village Board has long adhered to its own self imposed "tax caps" since the early 1970s as part of its fiscal policies and practices. The Village's "tax cap" policies predate the State imposed formula.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to:

Brad L. Bettenhausen, Treasurer
Village of Tinley Park
16250 Oak Park Avenue
Tinley Park, Illinois 60477
finance@tinleypark.org
708-444-5000

Basic Financial Statements

Government-Wide Financial Statements

Village of Tinley Park, Illinois

Statement of Net Assets
April 30, 2012

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
Assets				
Current:				
Cash and cash equivalents	$ 63,653,981	$ 17,225,178	$ 80,879,159	$ 10,297,077
Land held for resale	1,350,505	-	1,350,505	-
Receivables:				
Property taxes	11,687,289	-	11,687,289	3,312,509
Accounts	684,282	2,882,573	3,566,855	-
Intergovernmental	5,826,200	459,775	6,285,975	30,077
Other	1,511,508	302,727	1,814,235	6,011
Deposits	859,970	-	859,970	-
Total current assets	85,573,735	20,870,253	106,443,988	13,645,674
Noncurrent:				
Net pension asset	1,157,159	-	1,157,159	-
Deferred charges	437,353	97,753	535,106	82,489
Advance to/from other funds	(1,321,642)	1,321,642	-	-
Capital assets, not being depreciated	154,281,418	1,867,497	156,148,915	-
Capital assets, net of accumulated depreciation	42,426,720	32,083,323	74,510,043	8,674,475
Total noncurrent assets	196,981,008	35,370,215	232,351,223	8,756,964
Total assets	$ 282,554,743	$ 56,240,468	$ 338,795,211	$ 22,402,638

See Notes to Financial Statements.

Village of Tinley Park, Illinois

Statement of Net Assets - Continued
April 30, 2012

	Governmental Activities	Business-Type Activities	Total	Component Unit Library
Liabilities				
Current:				
General obligation bonds	$ 3,620,622	$ 629,379	$ 4,250,001	$ 445,000
Accounts payable	2,713,582	1,016,014	3,729,596	109,449
Accrued payroll	79,561	-	79,561	25,122
Accrued interest	393,800	87,729	481,529	87,400
Deposits	5,197	82,217	87,414	-
Capital leases	-	52,860	52,860	-
Compensated absences	929,500	82,591	1,012,091	114,500
Deferred revenue	19,197,095	-	19,197,095	5,670,189
Total current liabilities	26,939,357	1,950,790	28,890,147	6,451,660
Noncurrent:				
General obligation bonds, net of unamortized bond premium and deferred loss on refunding	33,091,048	7,197,317	40,288,365	6,409,640
Revenue bonds	-	560,000	560,000	-
Special service area bonds	895,000	-	895,000	-
Other postemployment benefits	3,259,851	-	3,259,851	-
Capital leases	-	111,099	111,099	-
Compensated absences	48,895	4,347	53,242	14,887
Total noncurrent liabilities	37,294,794	7,872,763	45,167,557	6,424,527
Total liabilities	64,234,151	9,823,553	74,057,704	12,876,187
Net Assets				
Invested in capital assets, net of related debt	161,244,471	26,058,168	187,302,639	1,819,835
Restricted for:				
Custom seizures	775,579	-	775,579	-
Motor fuel tax	1,889,687	-	1,889,687	-
Enhanced 911	611,407	-	611,407	-
Debt service	2,510,826	-	2,510,826	-
Oak Park Avenue TIF	4,586,824	-	4,586,824	-
Main Street North TIF	2,906,435	-	2,906,435	-
Main Street South TIF	2,426,178	-	2,426,178	-
Unrestricted	41,369,185	20,358,747	61,727,932	7,706,616
Total net assets	$ 218,320,592	$ 46,416,915	$ 264,737,507	$ 9,526,451

See Notes to Financial Statements.

Village of Tinley Park, Illinois

Statement of Activities
Year Ended April 30, 2012

		Program Revenues			Net (Expense), Revenue and Changes in Net Assets			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit Library
Governmental activities:								
General government	$ 6,525,519	$ 3,703,464	$ 335,815	$ 108,392	$ (2,377,848)	$ -	$ (2,377,848)	$ -
Public works	8,153,546	577,874	-	5,778,127	(1,797,545)	-	(1,797,545)	-
Public safety	23,410,071	366,389	134,696	159,049	(22,749,937)	-	(22,749,937)	-
Social services	3,450,385	167,212	26,505	-	(3,256,668)	-	(3,256,668)	-
Interest expense	1,531,413	-	-	-	(1,531,413)	-	(1,531,413)	-
Total governmental activities	43,070,934	4,814,939	497,016	6,045,568	(31,713,411)	-	(31,713,411)	-
Business-type activities:								
Public works:								
Waterworks and sewerage	16,537,609	17,153,816	398,044	-	-	1,014,251	1,014,251	-
Commuter parking lot	597,467	746,284	-	-	-	148,817	148,817	-
Total business-type activities	17,135,076	17,900,100	398,044	-	-	1,163,068	1,163,068	-
Primary Government	60,206,010	22,715,039	895,060	6,045,568	(31,713,411)	1,163,068	(30,550,343)	-
Component Unit	4,653,449	110,809	-	-	-	-	-	(4,542,640)
Total Reporting Entity	$ 64,859,459	$ 22,825,848	$ 895,060	$ 6,045,568	(31,713,411)	1,163,068	(30,550,343)	(4,542,640)
General revenues								
Taxes:								
Property					24,083,613	-	24,083,613	5,559,221
Other Taxes:								
Municipal occupation					12,218,590	-	12,218,590	-
Amusement					385,198	-	385,198	-
Income					4,804,221	-	4,804,221	-
Personal property replacement					71,871	-	71,871	12,782
Telecommunication					450,406	-	450,406	-
911					582,564	-	582,564	-
Hotel/Motel					1,159,957	-	1,159,957	-
Other grants					-	-	-	323,149
Interest					443,478	114,264	557,742	18,058
Miscellaneous					3,916,125	-	3,916,125	19,732
Transfers in (out)					(246,793)	246,793	-	-
Total general revenues and transfers					47,869,230	361,057	48,230,287	5,932,942
Change in net assets					16,155,819	1,524,125	17,679,944	1,390,302
Net assets:								
May 1, 2011					202,164,773	44,892,790	247,057,563	8,136,149
April 30, 2012					$ 218,320,592	$ 46,416,915	$ 264,737,507	$ 9,526,451

See Notes to Financial Statements

Fund Financial Statements

Village of Tinley Park, Illinois

Balance Sheet - Governmental Funds
April 30, 2012

	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 19,406,700	$ 26,436,507	$ 17,810,774	$ 63,653,981
Land held for resale	-	1,350,505	-	1,350,505
Receivables				
Property taxes	11,467,189	-	220,100	11,687,289
Accounts	684,282	-	-	684,282
Intergovernmental	5,279,605	-	546,595	5,826,200
Other	-	1,481,440	30,068	1,511,508
Deposits	-	859,970	-	859,970
Due from other funds	-	-	29,921	29,921
Advance to other funds	-	1,101,856	-	1,101,856
Total assets	$ 36,837,776	$ 31,230,278	$ 18,637,458	$ 86,705,512
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 1,261,026	$ 1,396,967	$ 55,589	$ 2,713,582
Accrued payroll	79,561	-	-	79,561
Deposits	5,197	-	-	5,197
Due to other funds	29,921	-	-	29,921
Advance from other funds	2,423,498	-	-	2,423,498
Deferred revenue	19,426,927	588,746	384,611	20,400,284
Total liabilities	23,226,130	1,985,713	440,200	25,652,043
Fund Balances				
Nonspendable	-	1,101,856	-	1,101,856
Unassigned	8,679,443	-	(143,725)	8,535,718
Assigned	4,932,203	-	-	4,932,203
Restricted	-	-	15,940,759	15,940,759
Committed	-	28,142,709	2,400,224	30,542,933
Total fund balances	13,611,646	29,244,565	18,197,258	61,053,469
Total liabilities and fund balances	$ 36,837,776	$ 31,230,278	$ 18,637,458	$ 86,705,512

See Notes to Financial Statements.

Village of Tinley Park, Illinois

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets
April 30, 2012

Total fund balances-governmental funds	$ 61,053,469
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	196,708,138
Certain assets reported in the Statement of Net Assets do not result in current financial resources and therefore are not reported as assets in governmental funds. This activity consists of:	
Net pension asset	1,157,159
Bond issuance costs that are an expenditure in the fund financial statements are an asset amortized over the life of the bond in the government-wide financial statements	437,353
Bond premiums are other financing sources in the fund financial statements and a liability amortized over the life of the bond in the government-wide financial statements	(317,304)
Losses on debt refundings that are other financing uses in the fund financial statements are an asset that is amortized over the life of the bonds in the government-wide financial statements	323,102
State income tax revenue is deferred in the fund financial statements because it is not available but is recognized as revenue in the government-wide financial statements	1,203,189
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of:	
General obligation bonds	(36,717,468)
Special service area bonds	(895,000)
Accrued interest	(393,800)
Other postemployment benefits	(3,259,851)
Compensated absences	(978,395)
Net assets of governmental activities	$ 218,320,592

See Notes to Financial Statements.

Village of Tinley Park, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended April 30, 2012

	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 18,428,532	$ -	$ 5,655,081	$ 24,083,613
Other taxes	13,763,745	-	582,564	14,346,309
Interest	174,710	142,039	126,729	443,478
Fines, forfeitures and reimbursements	1,235,729	-	352,880	1,588,609
Licenses, permits and fees	2,362,163	86,851	-	2,449,014
Charges for services	1,212,089	-	-	1,212,089
Intergovernmental	5,337,424	4,072,206	2,035,605	11,445,235
Miscellaneous	722,626	3,182,506	10,993	3,916,125
Total revenues	43,237,018	7,483,602	8,763,852	59,484,472
Expenditures:				
Current:				
General government	3,819,595	-	120,811	3,940,406
General overhead	1,982,874	-	-	1,982,874
Police	15,840,062	-	412,788	16,252,850
Fire	3,939,515	-	-	3,939,515
Emergency management agency (EMA)	802,958	-	-	802,958
Road and bridge	3,163,606	-	2,683,857	5,847,463
Electrical	1,043,256	-	-	1,043,256
Municipal building and grounds	659,885	-	-	659,885
Community development	1,381,718	-	-	1,381,718
Boards, commissions and committees	175,254	-	-	175,254
Senior bus service	79,569	-	-	79,569
Village bus services	40,333	-	-	40,333
Economic incentives	1,528,621	-	-	1,528,621
Debt service:				
Principal	-	-	3,312,397	3,312,397
Interest and fees	57,262	37,438	1,434,040	1,528,740
Bond issuance costs	20,611	13,534	-	34,145
Capital outlay	355,251	9,821,017	4,809,609	14,985,877
Total expenditures	34,890,370	9,871,989	12,773,502	57,535,861
Excess (deficiency) of revenues over (under) expenditures	8,346,648	(2,388,387)	(4,009,650)	1,948,611
Other financing sources (uses):				
Bond issuance	1,570,500	1,031,295	-	2,601,795
Premium on bond issuance	60,443	39,691	-	100,134
Transfers in	222,670	10,130,309	9,552,241	19,905,220
Transfers (out)	(7,141,252)	(675,403)	(12,335,358)	(20,152,013)
Payment to escrow agent	(1,552,500)	(1,019,475)	-	(2,571,975)
Total other financing sources (uses)	(6,840,139)	9,506,417	(2,783,117)	(116,839)
Changes in fund balances	1,506,509	7,118,030	(6,792,767)	1,831,772
Fund balances:				
May 1, 2011, as restated	12,105,137	22,126,535	24,990,025	59,221,697
April 30, 2012	$ 13,611,646	$ 29,244,565	$ 18,197,258	$ 61,053,469

See Notes to Financial Statements

Village of Tinley Park, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2012

Net change in fund balances-total governmental funds	$ 1,831,772
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets.	
Capital outlay	14,661,403
Depreciation	(2,618,005)
Loss on disposal of capital assets	(52,198)
Some general operations were financed through the issuance of long-term debt. In governmental funds, long-term debt is considered other financing sources, but in the Statement of Net Assets, debt is reported as a liability. In the current period, proceeds were received from:	
General obligation bonds	(2,601,795)
The following are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount in the current period.	
General obligation bonds	5,884,372
Losses on refunded debt are recorded as an expenditure in the fund financial statements, but the loss is netted with general obligation bonds in the Statement of Net Assets and is amortized over the life of the bonds.	
Deferred loss on refunding	37,532
Amortization of deferred loss on refunding	(30,433)
Premium/discount on bonds is recorded as other financing uses/sources in the fund financial statements, but the premium/discount is netted with general obligation bonds in the Statement of Net Assets and is amortized over the life of the bonds. This is the amount in the current period:	
Bond issuance premium	(100,134)
Amortization of bond premium/discount	26,475
Bond issuance costs are recorded as an expenditure in the fund financial statements, but the cost is recorded as an asset in the Statement of Net Assets and amortized over the life of the bonds. These are the amounts in the current period:	
Bond issuance costs	34,145
Amortization of bond issuance costs	(83,247)
State income tax revenue is deferred in the fund financial statements because it is not available but is recognized as revenue in the government-wide financial statements	(10,926)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Decrease in compensated absences	64,246
(Increase) in other postemployment benefits	(680,400)
Decrease in accrued interest	47,000
(Decrease) in net pension asset	(253,988)
Change in net assets of governmental activities	$ 16,155,819

See Notes to Financial Statements.

Village of Tinley Park, Illinois

Statement of Net Assets - Enterprise Funds
April 30, 2012

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Assets			
Current Assets:			
Cash and cash equivalents	$ 13,965,532	$ 3,259,646	$ 17,225,178
Receivables:			
Customer accounts	275,955	-	275,955
Unbilled service	2,606,618	-	2,606,618
Other receivables	302,727	-	302,727
Due from other governments	459,775	-	459,775
Total current assets	17,610,607	3,259,646	20,870,253
Noncurrent Assets:			
Capital Assets:			
Land	911,483	278,000	1,189,483
Construction in progress	678,014	-	678,014
Waterworks and sewerage system	88,101,694	-	88,101,694
Parking lot	-	3,383,821	3,383,821
Equipment	1,724,801	696,041	2,420,842
Pedestrian crossing	-	30,260	30,260
	91,415,992	4,388,122	95,804,114
Less accumulated depreciation	58,799,658	3,053,636	61,853,294
Net capital assets	32,616,334	1,334,486	33,950,820
Advance to other funds	1,321,642	-	1,321,642
Deferred charges	97,753	-	97,753
Total noncurrent assets	34,035,729	1,334,486	35,370,215
Total assets	$ 51,646,336	$ 4,594,132	$ 56,240,468

See Notes to Financial Statements.

Village of Tinley Park, Illinois

Statement of Net Assets - Enterprise Funds - Continued
April 30, 2012

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Liabilities			
Current Liabilities:			
Current maturities of bonds payable:			
General obligation bonds	$ 629,379	$ -	$ 629,379
Accounts payable	1,014,244	1,770	1,016,014
Accrued interest	87,729	-	87,729
Deposits	82,217	-	82,217
Capital lease	52,860	-	52,860
Compensated absences	66,307	16,284	82,591
Total current liabilities	1,932,736	18,054	1,950,790
Noncurrent Liabilities:			
Bonds payable, net of current maturities:			
General obligation bonds, net of unamotized bond premium	7,197,317	-	7,197,317
Revenue bonds payable	560,000	-	560,000
Capital lease	111,099	-	111,099
Compensated absences	3,490	857	4,347
Total noncurrent liabilities	7,871,906	857	7,872,763
Total liabilities	9,804,642	18,911	9,823,553
Net Assets:			
Invested in capital assets, net of related debt	24,723,682	1,334,486	26,058,168
Unrestricted	17,118,012	3,240,735	20,358,747
Total net assets	$ 41,841,694	$ 4,575,221	$ 46,416,915

See Notes to Financial Statements.

Village of Tinley Park, Illinois

Statement of Revenues, Expenses, and Changes in Net Assets - Enterprise Funds
Year Ended April 30, 2012

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Operating revenues:			
Water sales and sewer services	$ 16,610,534	$ -	$ 16,610,534
Meter sales	26,037	-	26,037
Building impact fees	12,972	-	12,972
Parking fees	-	714,415	714,415
Parking fines	-	31,869	31,869
Other	504,273	-	504,273
Total operating revenues	17,153,816	746,284	17,900,100
Operating expenses:			
Operations	13,701,615	546,469	14,248,084
Depreciation	2,439,586	50,998	2,490,584
Total operating expenses	16,141,201	597,467	16,738,668
Operating income	1,012,615	148,817	1,161,432
Nonoperating revenues (expenses):			
Annexation recaptures	58,053	-	58,053
Development assessments and fees	339,991	-	339,991
Interest income	88,968	25,296	114,264
Interest (expense)	(396,408)	-	(396,408)
Profit before transfers	1,103,219	174,113	1,277,332
Transfers in (out):			
Transfers in	356,793	-	356,793
Transfers (out)	(60,000)	(50,000)	(110,000)
	296,793	(50,000)	246,793
Changes in net assets	1,400,012	124,113	1,524,125
Net assets:			
May 1, 2011	40,441,682	4,451,108	44,892,790
April 30, 2012	$ 41,841,694	$ 4,575,221	$ 46,416,915

See Notes to Financial Statements.

Village of Tinley Park, Illinois

Statement of Cash Flows - Enterprise Funds
Year Ended April 30, 2012

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Cash flows from operating activities			
Cash received for services	$ 16,711,064	$ 746,284	$ 17,457,348
Payments to employees	(1,741,901)	(296,960)	(2,038,861)
Payments to suppliers	(11,775,134)	(256,826)	(12,031,960)
Net cash provided by operating activities	3,194,029	192,498	3,386,527
Cash flows from noncapital financing activities			
Decrease in due to other funds	(143,761)	-	(143,761)
Increase in advance from other funds	(1,321,642)		(1,321,642)
Transfers in	356,793	-	356,793
Transfers (out)	(60,000)	(50,000)	(110,000)
Net cash flows (used in) noncapital financing activities	(1,168,610)	(50,000)	(1,218,610)
Cash flows from capital and related financing activities			
Capital assets purchased	(1,002,155)	-	(1,002,155)
Proceeds from general obligation bonds	2,633,205	-	2,633,205
Issuance costs paid on general obligation bonds issued	(73,237)	-	(73,237)
Premium on general obligation bonds issued	99,164	-	99,164
Developer fees received	339,991	-	339,991
Cash payments for interest	(428,779)	-	(428,779)
Receipts from other governments	65,000	-	65,000
Payments on capital lease	(51,039)	-	(51,039)
Principal payments, general obligation bonds	(3,265,628)	-	(3,265,628)
Principal payments, alternate revenue bonds	(65,000)	-	(65,000)
Annexation recapture proceeds	58,053	-	58,053
Net cash flows (used in) capital and related financing activities	(1,690,425)	-	(1,690,425)
Cash flows from investing activities			
Cash receipts from interest income	88,968	25,296	114,264
Net cash flows provided by investing activities	88,968	25,296	114,264
Net increase in cash and cash equivalents	423,962	167,794	591,756
Cash and cash equivalents:			
May 1, 2011	13,541,569	3,091,852	16,633,421
April 30, 2012	$ 13,965,531	$ 3,259,646	$ 17,225,177

See Notes to Financial Statements.

Statement of Cash Flows - Enterprise Funds - Continued
Year Ended April 30, 2012

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Reconciliation of operating income to net cash provided by operating activities			
Operating income	$ 1,012,615	$ 148,817	$ 1,161,432
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	2,439,586	50,998	2,490,584
Amortization	41,652	-	41,652
Changes in assets and liabilities			
Accounts receivable	(450,430)	-	(450,430)
Deposits	7,678	-	7,678
Accounts payable	162,197	74	162,271
Accrued payroll and compensated absences	(19,269)	(7,391)	(26,660)
Total adjustments	2,181,414	43,681	2,225,095
Net cash provided by operating activities	$ 3,194,029	$ 192,498	$ 3,386,527

See Notes to Financial Statements.

Village of Tinley Park, Illinois

Combining Statement of Fiduciary Net Assets
Pension Trust and Agency Funds
April 30, 2012

	Pension Trust Police Pension	Agency
Assets		
Cash and cash equivalents	$ 2,178,703	$ 4,836,560
Investments:		
U.S. Government securities	16,309,297	-
Corporate equity instruments	25,542,049	-
Insurance annuity contracts	1,813,160	-
Interest and other receivable	214,855	172,280
Total assets	46,058,064	$ 5,008,840
Liabilities		
Accounts payable	7,602	$ 1,134,089
Deposits	-	3,874,751
Total liabilities	7,602	$ 5,008,840
Net Assets		
Held in trust for pension benefits	$ 46,050,462	

See Notes to Financial Statements.

Village of Tinley Park, Illinois

Combining Statement of Changes in Plan Net Assets
Pension Trust Funds
Year Ended April 30, 2012

	Police Pension
Additions	
Contributions:	
Employer	$ 2,204,188
Plan members	948,904
Total contributions	3,153,092
Investment income (expense):	
Net increase in fair value of investments	580,324
Dividends	301,726
Interest	772,865
Less: investment expenses	(132,266)
Net investment income	1,522,649
Total additions	4,675,741
Deductions	
Benefits	2,090,656
Administrative expenses:	
Other	32,187
Total deductions	2,122,843
Net increase	2,552,898
Net assets held in trust for pension benefits:	
May 1, 2011	43,497,564
April 30, 2012	$ 46,050,462

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

Nature of Activities

The Village of Tinley Park, Illinois, is located in Cook County, Illinois, is a home-rule municipality and was incorporated in 1892 under the provisions of the constitution and general statutes of the State of Illinois. The Village operates under the trustee-village form of government and provides a full range of services including public safety, roads, planning, zoning, and general administrative services.

The accounting policies of the Village of Tinley Park conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

(a) *Financial Reporting Entity*

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

(1) Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

(2) Fiscal dependency on the primary government.

Based upon the application criteria, the Tinley Park Public Library (Library) has been included within the reporting entity as a component unit. The Library provides library services to the residents of the Village of Tinley Park and to the citizens of Orland Hills under a contract with the Orland Hills Public Library District. The members of the Tinley Park Public Library Board are elected by the public. However, the Library is fiscally dependent upon the Village because the Village's board approves the Library's budget and tax levies and must approve any debt issuances. Financial data of the Library has been discretely presented in the component unit column in the combined financial statements to emphasize that it is separate from the Village. No separate financial statements have been issued for the Library.

(b) *Government-Wide and Fund Financial Statements*

Government-Wide Financial Statements: The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Note 1. Summary of Significant Accounting Policies (Continued)

(b) *Government-Wide and Fund Financial Statements* (Continued)

Government-Wide Financial Statements (Continued)

Restricted net assets, if applicable, result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first to finance qualifying activities, then unrestricted resources as they are needed.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general services, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

***Fund Financial Statements**:* Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds - General Fund and Capital Improvements Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major enterprise fund – Waterworks and Sewerage Fund. The remaining enterprise fund is reported as a nonmajor enterprise fund.

The Village administers the following major governmental funds:

General Fund – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general services, public works and public safety.

Capital Improvements Fund – This fund is used to account for all other major capital projects transactions of the Village not financed through proprietary funds or other capital projects funds.

The Village administers the following major proprietary fund:

Waterworks and Sewerage Fund –Accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Additionally, the Village administers a fiduciary (police pension trust) fund for assets held by the Village in a fiduciary capacity on behalf of its sworn police officers and agency trust funds (Special Assessment Fund, Escrow Fund, and Payroll Fund) each holding assets for others in an agency capacity.

Note 1. Summary of Significant Accounting Policies (Continued)

(c) Measurement *Focus and Basis of Accounting and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and pension trust fund financial statements. Revenues and contributions are recorded when earned and expenses including benefits and refunds paid are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues and various State, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected approximately within 60 days of the end of the current fiscal year.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants and intergovernmental revenues, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

(d) *Assets, liabilities, and net assets or equity*

1. Cash and Cash Equivalents

The Village considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits, all highly liquid investments, and all certificates of deposit.

2. Investments

Investments are reported at fair value. Fair value is based on quoted market prices, except for insurance contracts which are carried at contract value which approximates fair value.

Note 1. Summary of Significant Accounting Policies (Continued)

(d) Assets, liabilities, and net assets or equity

3. Interfund Receivables, Payables and Activity

The Village has the following types of transactions between funds:

Loans—amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net assets.

Services provided and used—sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net assets.

Reimbursements—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

4. Capital Assets

Capital assets which include land and improvements, current year purchases of streets and sidewalks, buildings, storm sewers, sanitary sewers, water distribution system and machinery and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than $15,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Note 1. Summary of Significant Accounting Policies (Continued)

(d) Assets, liabilities, and net assets or equity (Continued)

4. Capital Assets (Continued)

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

	Estimated Useful Lives
Buildings and property	20 - 40 years
Equipment and vehicles	5 - 15 years
Waterworks and sewerage system	10 - 40 years
Parking lot	20 - 30 years
Pedestrian crossing	30 years

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

5. Unearned / Deferred Revenue

The Village defers revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

6. Compensated Absences

Vacation leave is recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets. Bond issuance costs are reported as noncurrent assets and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond issuance costs during the year the bonds are sold. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note 1. Summary of Significant Accounting Policies (Continued)

(d) Assets, liabilities, and net assets or equity (Continued)

7. Long-Term Obligations (Continued)

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

8. Fund Balances

Effective May 1, 2011, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. In addition, GASB 54 modified certain fund type definitions and provided guidance for classification of stabilization amounts on the face of the balance sheet.

Within the governmental fund types, the Village's fund balances are reported in one of the following classifications:

> Nonspendable – includes amounts that cannot be spent because they are either a) not in spendable form; or b) legally or contractually required to be maintained intact.
>
> Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
>
> Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's Board of Trustees. The Village passes formal resolutions to commit their fund balances.
>
> Assigned – Includes amounts that are constrained by the Village's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's Board of Trustees itself; or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's Board of Trustees has authorized management to assign amounts for specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. Within these same funds, a residual deficit, if any, is reported as unassigned.
>
> Unassigned – includes the residual fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

It is the Village's policy for the General Fund to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

For all other governmental funds, it is the Village's policy to consider unrestricted resources (i.e. – committed, assigned) to have been spent first, followed by restricted resources.

Note 1. Summary of Significant Accounting Policies (Continued)

(d) *Assets, liabilities, and net assets or equity (Continued)*

8. Fund Balances (Continued)

At April 30, 2012, the Village's Governmental Fund fund balances were classified as follows:

	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Advances	$ -	$ 1,101,856	$ -	$ 1,101,856
Assigned:				
Commercial Development	1,234,192	-	-	1,234,192
Main Street Commission	1,600,000	-	-	1,600,000
Local Road Improvements	1,519,740	-	-	1,519,740
Fire Alarms	578,271	-	-	578,271
	4,932,203	-	-	4,932,203
Restricted:				
Custom Seizures	-	-	775,579	775,579
Motor Fuel	-	-	1,889,687	1,889,687
Drug Enforcement	-	-	75,379	75,379
Enhanced 911 Services	-	-	611,407	611,407
Foreign Fire	-	-	231,381	231,381
Commuity Development	-	-	3,999	3,999
Special Service Area	-	-	275,862	275,862
Limited Sales Tax Bonds	-	-	9,227	9,227
Capital Projects	-	-	12,068,238	12,068,238
	-	-	15,940,759	15,940,759
Committed:				
Debt Service	-	-	2,369,462	2,369,462
Capital Projects	-	28,142,709	30,762	28,173,471
	-	28,142,709	2,400,224	30,542,933
Unassigned	8,679,443	-	(143,725)	8,535,718
Total Fund Balances	$ 13,611,646	$ 29,244,565	$ 18,197,258	$ 61,053,469

9. Capital Contributions

Capital contributions reported in the proprietary funds represent capital assets donated from outside parties, principally developers.

Note 1. Summary of Significant Accounting Policies (Continued)

(d) *Assets, liabilities, and net assets or equity (Continued)*

10. Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

11. Eliminations and Reclassifications

In the process of aggregating information for the Government Wide statements, some amounts reported as interfund activity and/or interfund balances in the Fund Financial statements are eliminated or reclassified.

Note 2. Cash and Investments

Deposits

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. As of April 30, 2012, the carrying amount of the Village's deposits was $66,246,964, with bank balances totaling $67,345,052, all of which are fully insured and collateralized. The Village also had $2,300 in petty cash on hand at April 30, 2012.

As of April 30, 2012, the Village had $21,645,158 with Illinois Funds, which are considered to mature in less than one year because the weighted average maturity of the pool is less than one year.

Investments

As of April 30, 2012, the Village had the following investments and maturities all of which were held by the Tinley Park Police Pension Fund:

		Investment Maturities (in Years)			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Government Backed Securities	$ 156,739	$ -	$ 878	$ -	$ 155,861
U.S. Government Bonds	2,314,862	-	1,209,617	1,105,245	-
U.S. agencies - FHLB	6,323,362	502,700	2,805,274	2,920,318	95,070
U.S. agencies - FNMA	959,342	-	959,342	-	-
U.S. agencies - FFCB	4,292,783	-	1,870,797	2,421,986	-
Local Government Bonds	2,262,209	-	423,575	1,110,909	727,725
Total investments with maturities	16,309,297	$ 502,700	$ 7,269,483	$ 7,558,458	$ 978,656
Corporate equity investments	25,542,049				
Insurance annuity contracts	1,813,160				
	$ 43,664,506				

Note 2. Cash and Investments (Continued)

Interest Rate Risk – The Tinley Park Police Pension Fund's investment policy states that the investment portfolio of the Fund shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Fund's risk constraints, the cash flow characteristics of the portfolio and legal restrictions for return on investments. As a means of managing its exposure to fair value losses arising from increasing interest rates, the Fund's investment policy specifically identifies limits on investment maturities as follows:

Maturity	Percentage
0 - 1	25%
1 - 2	15%
2 - 3	15%
3 - 4	15%
4 - 5	10%
5 - 10	10%

Credit Risk – State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and the their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may invest as allowed by Illinois Compiled Statutes. As of April 30, 2012, the Village's investments in U.S. Government agencies were rated AAA by Standard & Poor's and AAA by Moody's Investors Service. The Village's investments in the Local Government Bonds were rated AAA by Standard & Poor's.

Concentration of Credit Risk – The Tinley Park Police Pension Fund's investment policy requires the Fund to diversify its investments by security type and institutions with the exception of U.S. Treasury Securities and authorized Pools for which there is no restriction as to percentage of portfolio. No more than (50%) of the Fund's total portfolio at the time of the investment will be invested in a single security, type of security or single financial institution. As of April 30, 2012, more than 5% of the Fund's investments are in U.S. Government Treasuries, FHLB, FFCB, and Local Government Bonds. These investments are 5.3%, 14.5%, 9.8%, and 5.2%, respectively, of the Fund's total investments.

Custodial Credit Risk – For an investment, this is the risk that, in the event of failure of the counterparty, the Tinley Park Police Pension Fund will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Fund's investment policy states that all security transactions, including collateral for any repurchase agreements, entered into by the Fund shall be conducted on a delivery versus payment basis, which requires the delivery of securities with an exchange of money for those securities. The policy also states that securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts and reports. The U.S. Treasury Notes and Strips, U.S. agency securities, local government bonds, annuity contracts, and certificate of deposit are held by the Fund's agent in the Fund's name.

Note 2. Cash and Investments (Continued)

The previously discussed deposits of $66,246,964, petty cash of $2,300, Illinois Funds of $21,645,158 and investments of $43,664,506 totaling $131,558,928 are reported in the financial statements as follows:

Governmental and business-type activities,	
Cash and cash equivalents:	
Subject to risk categorization	$ 59,234,001
Not subject to risk categorization	21,645,158
Subtotal	80,879,159
Fiduciary Funds:	
Cash and cash equivalents	7,015,263
Investments	43,664,506
Subtotal	50,679,769
Total	$ 131,558,928

Component Unit Library

Deposits

State statutes authorize the Library to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks, savings and loan associations, and credit unions. As of April 30, 2012, the Library had deposits with federally insured financial institutions of $1,352,848 with bank balances totaling $1,405,530, all of which are fully insured and collateralized.

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of bank failure, the Library's deposits may not be returned to it. The Library does not have an investment policy for custodial credit risk for deposits.

As of April 30, 2012, the Library had $8,944,229 with Illinois Funds, which are considered to mature in less than one year because the weighted average maturity of the pool is less than one year.

The Illinois Funds Investment Pool is not registered with the SEC. The pool is sponsored by the Treasurer of the State of Illinois, in accordance with State law. The fair value of the position in the Pool is the same as the value of the Pool shares.

Interest Rate Risk - The Library's investment policy does not limit the Library's investment portfolio to specific maturities.

Credit Risk - State statutes allow the Library to invest in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, and short-term obligations of corporations organized in the United States with assets exceeding $500,000,000. The Library is also authorized to invest in the Illinois Funds. Investments in Illinois Funds were rated AAA by Standard and Poor's. The Library's investment policy does not address credit risk.

Concentration of Credit Risk - The Library's investment policy does not restrict the amount of investments in any one issuer. All of the Library's investments are in the Illinois Funds.

Custodial Credit Risk – For an investment, this is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Illinois Funds held by the Library are not subject to custodial credit risk. The Library's investment policy does not address custodial credit risk for investments.

Note 3. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board of Trustees. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Cook County and issued on or about February 1 and August 1, and are payable in two installments which become due on or about March 1 and September 1. Tax bills are prepared by Will County and issued on or about May 1, and are payable in two equal installments which become due on or about June 1 and September 1. The Counties collect such taxes and periodically remit them to the Village.

The 2011 property tax assessment, which was levied in December 2011, is to finance the budget for the fiscal year beginning May 1, 2012, and the revenue to be produced from that assessment is to be recognized during that period, provided the "available" criteria has been met. "Available" means when due or receivable within the current period, and collected within that fiscal period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For governmental fund types, property taxes collected in advance of the fiscal year for which they are levied are recorded as deferred revenue and recognized as revenue in the year for which they are levied except for employee pension taxes which are recognized as revenue in the year in which they are received. A reduction for collection losses based on historical collection experience has been provided on uncollected tax levies.

Property taxes are billed and collected by the County Treasurers of Cook County and Will County, Illinois.

Note 4. Due from Other Governmental Agencies

The Village of Tinley Park entered into an intergovernmental agreement with the Villages of New Lenox and Mokena for bulk water supply services (providing Lake Michigan water to these communities). As part of this agreement, the Village of Tinley Park issued revenue bonds to assist the Village of Mokena in funding construction of improvements required to provide this water service to Mokena. The Village of Mokena has agreed to pay for all principal and interest payments on the debt. The initial amount of the debt was $1,000,000 and the balance receivable as of April 30, 2012 is $459,775.

Note 5. Capital Assets

Governmental Activities

A summary of the changes in capital assets for governmental activities of the Village is as follows:

	Balance May 1, 2011	Additions	Deletions	Balance April 30, 2012
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 116,839,337	$ 1,299,373	$ 50,311	$ 118,088,399
Construction in progress	27,263,881	12,170,002	3,240,864	36,193,019
	144,103,218	13,469,375	3,291,175	154,281,418
Capital assets being depreciated:				
Buildings and property	52,703,336	3,741,661	-	56,444,997
Equipment and vehicles:				
General purpose	818,056	19,519	30,536	807,039
Public works	4,848,833	407,251	297,959	4,958,125
Public safety	8,210,580	264,461	185,401	8,289,640
	66,580,805	4,432,892	513,896	70,499,801
Less accumulated depreciation for:				
Buildings and property	16,170,864	1,730,264	-	17,901,128
Equipment and vehicles	9,796,221	887,741	512,009	10,171,953
	25,967,085	2,618,005	512,009	28,073,081
Total capital assets being depreciated, net	40,613,720	1,814,887	1,887	42,426,720
Governmental activities capital assets, net	$ 184,716,938	$ 15,284,262	$ 3,293,062	$ 196,708,138

Note 5. Capital Assets (Continued)

Business-Type Activities

A summary of changes in capital assets for business-type activities of the Village is as follows:

	Balance May 1, 2011	Additions	Deletions	Balance April 30, 2012
Business-type activities				
Capital assets not being depreciated:				
Land	$ 1,189,483	$ -	$ -	$ 1,189,483
Construction in progress	330,047	722,878	374,911	678,014
	1,519,530	722,878	374,911	1,867,497
Capital assets being depreciated:				
Waterworks and sewerage system	87,593,457	547,979	39,742	88,101,694
Parking lot	3,383,821	-	-	3,383,821
Equipment	2,458,735	106,209	144,102	2,420,842
Pedestrian crossing	30,260	-	-	30,260
	93,466,273	654,188	183,844	93,936,617
Less accumulated depreciation for:				
Waterworks and sewerage system	55,382,310	2,344,302	39,742	57,686,870
Parking lot	2,276,335	50,999	-	2,327,334
Equipment	1,857,649	95,283	144,102	1,808,830
Pedestrian crossing	30,260	-	-	30,260
	59,546,554	2,490,584	183,844	61,853,294
Total capital assets being depreciated, net	33,919,719	(1,836,396)	-	32,083,323
Business-type activities capital assets, net	$ 35,439,249	$ (1,113,518)	$ 374,911	$ 33,950,820

Component Unit Library

	Balance May 1, 2011	Additions	Deletions	Balance April 30, 2012
Library building and equipment	$ 11,211,666	$ -	$ -	$ 11,211,666
Less accumulated depreciation	2,238,403	298,788	-	2,537,191
Total capital assets being depreciated, net	$ 8,973,263	$ (298,788)	$ -	$ 8,674,475

Note 5. Capital Assets (Continued)

Governmental Activities Depreciation Charged to Functions/Programs

Depreciation was charged to functions/programs as follows:

Governmental activities:		
General government	$	411,617
Public safety		1,458,931
Public works		524,702
Social services		222,755
Total depreciation expense - governmental activities	$	2,618,005
Business-type activities:		
Waterworks and sewerage	$	2,439,586
Commuter parking lot		50,998
Total depreciation expense - business-type activities	$	2,490,584

Note 6. Long-Term Obligations

Governmental Activities

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2012:

	Outstanding Debt as of May 1, 2011	Additions	Reductions	Outstanding Debt as of April 30, 2012	Due within one year
General obligation bonds financed through governmental funds	$ 40,000,045	$ 2,601,795	$ 5,884,372	$ 36,717,468	$ 3,620,622
Special service area bonds	895,000	-	-	895,000	-
Unamortized issuance costs	(486,455)	(34,145)	(83,247)	(437,353)	-
Unamortized bond premium	243,645	100,134	26,475	317,304	-
Deferred loss on refunding	(316,003)	(37,532)	(30,433)	(323,102)	-
Other postemployment benefits	2,579,451	680,400	-	3,259,851	-
Compensated absences	1,042,641	1,293,283	1,357,529	978,395	929,500
	$ 43,958,324	$ 4,603,935	$ 7,154,696	$ 41,407,563	$ 4,550,122

Compensated absences and other postemployment benefits are historically retired by the Village's General Fund.

Business-Type Activities

The following is a summary of long-term obligation activity for the Village with business-type activities for the year ended April 30, 2012:

	Outstanding Debt as of May 1, 2011	Additions	Reductions	Outstanding Debt as of April 30, 2012	Due within one year
General obligation bonds financed through enterprise funds	$ 8,359,955	$ 2,633,205	$ 3,265,628	$ 7,727,532	$ 629,379
Unamortized issuance costs	(66,168)	(73,237)	(41,652)	(97,753)	-
Unamortized bond premium	-	101,343	2,179	99,164	-
Revenue bonds financed through enterprise funds	625,000	-	65,000	560,000	-
Capital lease	214,998	-	51,039	163,959	52,860
Compensated absences	113,598	121,980	148,640	86,938	82,591
	$ 9,247,383	$ 2,783,291	$ 3,490,834	$ 8,539,840	$ 764,830

Note 6. Long-Term Obligations (Continued)

Outstanding debt as of April 30, 2012, consists of the following:

General obligation bonds:	
General obligation bonds dated October 5, 2004, of which original principal of $4,250,350 is to be serviced by the Waterworks and Sewerage Fund, $2,535,000 is to be serviced by the Storm Water Management Fund and $1,644,650 is to be serviced by the Surtax Cap Fund, provides for the retirement of principal at the rate of $550,000 in 2013. Interest is payable on December 1 and June 1 of each year at a rate of 3.25%.	$ 550,000
General obligation refunding bonds dated April 28, 2008 provide for the retirement of principal of $480,000 in 2013, $495,000 in 2014, $515,000 in 2015, $535,000 in 2016, $555,000 in 2017 and $580,000 in 2018. Interest is payable on December 1 and June 1 of each year at varying rates between 3.5% and 4.0%.	3,160,000
General obligation refunding and improvement bonds dated March 23, 2009 provide for the retirement of principal of $755,000 in 2013, $780,000 in 2014, $685,000 in 2015, $705,000 in 2016, $715,000 in 2017, $750,000 in 2018, $1,000,000 in 2019, $1,050,000 in 2020, $1,050,000 in 2021 and $1,070,000 in 2022. Interest is payable on December 1 and June 1 of each year at varying rates between 3.0% and 4.1%.	8,560,000
General obligation bonds dated December 30, 2009 provide for the retirement of principal of $1,910,000 in 2013, $1,615,000 in 2014, $2,280,000 in 2015, $1,965,000 in 2016, $2,685,000 in 2017, and $2,865,000 in 2018. Interest is payable on December 1 and June 1 of each year at varying rates between 1.7% and 3.5%.	13,320,000
General obligation bonds dated December 22, 2010 provide for the retirement of principal of $500,000 in 2013, $510,000 in 2014, $520,000 in 2015, $535,000 in 2016, $550,000 in 2017, $565,000 in 2018, $590,000 in 2019, $615,000 in 2020, $640,000 in 2021, $670,000 in 2022, $705,000 in 2023, $745,000 in 2024, $780,000 in 2025, $825,000 in 2026, $865,000 in 2027, $915,000 in 2028, $970,000 in 2029, $1,030,000 in 2030, and $1,090,000 in 2031. Interest is payable on December 1 and June 1 of each year at varying rates between 1.75% and 6.2%.	13,620,000
General obligation refunding bonds dated February 15, 2012, of which the refunded principal of $2,633,205 is to be serviced by the Waterworks and Sewerage Fund, $1,570,500 is to be serviced by the Storm Water Management Fund and $1,031,295 is to be serviced by the Surtax Cap Fund, provides for the retirement of principal at the rate of $55,000 in 2013, $610,000 in 2014, $750,000 in 2015, $765,000 in 2016, $780,000 in 2017, $790,000 in 2018, $725,000 in 2019 and a final installment of $760,000 in 2020. Interest is payable on December 1 and June 1 of each year at a rate of 2.00%.	5,235,000
Unamortized bond premium	416,468
Unamortized issuance costs	(535,106)
Total general obligation bonds	44,326,362

Note 6. Long-Term Obligations (Continued)

Special Service Area Bonds:

Limited sales tax revenue bonds dated November 1, 1988 provide for the retirement of principal at the rate of $895,000 through 2003. Interest was payable May 1 and November 1 at a rate of 10.25%. Bonds are to be paid solely from a specific portion of the sales tax revenues generated in the special service area over the life of the bonds. Incremental sales tax revenues have generated $89,416 in "Recapture Differential" through April 30, 2012 that is applied to retire outstanding interest coupons and bonds in serial order, respectively. Of this amount, $88,919 has been paid and reduced outstanding interest coupons, and $497 is held as Unused Recapture Differential for future debt service. The Village is not legally obligated to fund these payments except from available incremental sales tax revenues. When future incremental revenues become available bond maturity payments will be made.	895,000
Revenue Bonds:	
Revenue bonds dated August 1, 2000 provide for the retirement of principal of $65,000 in 2014, $70,000 in 2015, $75,000 in 2016, $80,000 in 2017, $85,000 in 2018, $90,000 in 2019 and $95,000 in 2020. Interest is payable on May 1 and November 1 of each year at rates varying from 5.25% - 5.5%.	560,000
Capital lease. Sewer jet machine dated August 25, 2010 with annual payments of $58,710 (including interest at 3.57%). Matures in 2015.	163,959
Compensated Absences	1,065,333
Total long-term debt	$ 47,010,654

On February 15, 2012, the Village issued $5,235,000 in General Obligation Bonds with an average interest rate of 2.00 percent to advance refund $5,175,000 of outstanding General Obligation Bonds, Series 2004 with an average interest rate of 3.60 percent. $5,175,000 was deposited with an escrow agent for the refunding. The refunding resulted in an economic loss of approximately $76,000 and had the net effect of decreasing the life of the bonds by 1 year and decreasing future debt service by approximately $500,000.

Note 6. Long-Term Obligations (Continued)

The future debt service requirements to amortize the outstanding debt other than the 1988 limited sales tax bonds, unamortized issuance costs, unamortized bond premiums, compensated absences, and the capital lease including interest of $9,777,972 are as follows:

	Governmental		Business-Type				
Year Ending April 30,	General Obligation Bonds		General Obligation Bonds		Revenue Bonds		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2013	$ 3,620,622	$ 1,111,512	$ 629,378	$ 297,225	$ -	$ 15,193	$ 5,673,931
2014	3,367,353	958,559	642,647	193,095	65,000	28,679	5,255,333
2015	4,072,805	888,245	677,195	177,765	70,000	25,118	5,911,128
2016	3,810,657	799,398	694,343	161,537	75,000	21,256	5,562,191
2017	4,579,104	708,327	705,896	144,746	80,000	17,050	6,235,123
2018	4,823,876	593,172	726,124	126,370	85,000	12,512	6,367,054
2019	1,526,615	464,203	788,385	107,205	90,000	7,700	2,984,108
2020	1,598,654	415,613	826,346	84,804	95,000	2,613	3,023,030
2021	1,242,363	362,256	447,637	60,349	-	-	2,112,605
2022	1,282,482	317,523	457,518	44,362	-	-	2,101,885
2023	604,293	267,745	100,707	27,405	-	-	1,000,150
2024	638,579	245,921	106,421	25,171	-	-	1,016,092
2025	668,579	222,859	111,421	22,811	-	-	1,025,670
2026	707,151	198,712	117,849	20,339	-	-	1,044,051
2027	741,437	173,173	123,563	17,725	-	-	1,055,899
2028	784,295	143,081	130,705	14,645	-	-	1,072,726
2029	831,438	111,249	138,562	11,387	-	-	1,092,636
2030	882,868	77,503	147,132	7,933	-	-	1,115,436
2031	934,297	39,848	155,703	4,079	-	-	1,133,927
	$ 36,717,468	$ 8,098,899	$ 7,727,532	$ 1,548,952	$ 560,000	$ 130,121	$ 54,782,972

The Village has pledged revenues to repay certain bond issues. The pledges will remain until all bonds are retired. The amount of pledges remaining as of April 30, 2012 is as follows:

Debt Issue	Pledged Revenue Source	Pledge Remaining	Commitment End Date	Percentage of Revenue Pledged
2000	Water Sales and Sewer Services	$ 560,000	5/1/2019	0.39%
2004	Water Sales and Sewer Services	276,650	12/1/2012	17.26%
2004	Storm Water Fees	273,350	12/1/2012	0.00%
2008	Property Taxes	3,160,000	12/1/2017	14.70%
2009	Water Sales and Sewer Services	2,872,100	12/1/2021	2.23%
2009	Property Taxes and Intergovernmental Receipts	5,687,900	12/1/2021	17.10%
2009A	Property Taxes	13,320,000	12/1/2017	48.36%
2010	Water Sales and Sewer Services	1,945,577	12/1/2030	0.81%
2010	Property Taxes, Other Taxes and Intergovernmental Receipts	11,674,423	12/1/2030	11.78%
2012	Water Sales and Sewer Services	2,633,205	12/1/2019	0.00%
2012	Property Taxes and Intergovernmental Receipts	2,601,795	12/1/2019	0.00%

Note 6. Long-Term Obligations (Continued)

The secured debt was issued to provide for various Waterworks and Sewerage improvements and Special Service Area Number 3 improvements. A comparison of the pledged revenues collected and the related principal and interest expenditures for the fiscal year 2012 is as follows:

Debt Issue	Pledged Revenue Source	Pledge Revenue	Principal and Interest Retired
2000	Water Sales and Sewer Services	$ 16,610,534	$ 65,000
2004	Water Sales and Sewer Services	16,610,534	2,867,100
2004	Storm Water Fees	-	2,832,900
2008	Property Taxes	4,108,720	604,038
2009	Water Sales and Sewer Services	16,610,534	371,226
2009	Property Taxes and Intergovernmental Receipts	4,260,560	728,394
2009A	Property Taxes	4,108,720	1,986,900
2010	Water Sales and Sewer Services	16,610,534	134,578
2010	Property Taxes, Other Taxes and Intergovernmental Receipts	8,715,580	1,026,750
2012	Water Sales and Sewer Services	16,610,534	-
2012	Property Taxes and Intergovernmental Receipts	4,260,560	-

A summary of debt transactions of Tinley Park Public Library, a component unit, for the year ended April 30, 2012, is as follows:

	Outstanding Debt as of May 1, 2011	Additions	Reductions	Outstanding Debt as of April 30, 2012	Due within one year
General obligation bonds	$ 6,850,000	$ 5,940,000	$ 6,850,000	$ 5,940,000	$ 445,000
Unamortized bond issuance costs	(26,189)	(87,685)	(31,385)	(82,489)	-
Deferred gain on refunding	-	408,811	24,226	384,585	-
Unamortized bond premium	-	541,565	11,510	530,055	-
Compensated absences	116,052	117,379	104,044	129,387	114,500
	$ 6,939,863	$ 6,920,070	$ 6,958,395	$ 6,901,538	$ 559,500

Note 7. Capital Lease Obligation

The Village leases sewer equipment under capital lease, which expires in August 2014. Annual lease payments, including interest at 3.57 percent are $58,710. The cost of the capital asset acquired under the capital lease was $274,988. The book value of this asset at year-end is $242,915.

Note 7. Capital Lease Obligation (Continued)

Minimum future lease payments under capital lease together with the present value of the net minimum lease payments as of April 30, 2012 are as follows:

Year Ending April 30:		
2013	$	58,710
2014		58,710
2015		58,710
Total minimum lease payments		176,130
Less amount representing interest		12,171
Present value of future minimum lease payments		163,959
Less current portion		52,860
Long-term portion	$	111,099

Note 8. Pension and Retirement Plan Commitments

Substantially all Village employees are covered under one of the following employee retirement plans.

Illinois Municipal Retirement Fund

Plan Description. The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Village's regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's actual contribution rates for calendar years 2012 and 2011 used by the Village were 13.81 percent and 13.88 percent, respectively, of annual covered payroll. The Village's annual required contribution rates for calendar years 2012 and 2011 were 13.88 and 13.65 percent, respectively. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year 2012, the Village's annual pension cost of $1,568,325 was equal to the required and actual contributions.

Note 8. Pension and Retirement Plan Commitments (Continued)

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/12	$ 1,568,325	100%	$ -
04/30/11	1,499,834	100%	-
04/30/10	1,364,158	100%	-

The required contribution for calendar year 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.5%investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the regular plan was 61.35% funded. The actuarial accrued liability for benefits was $30,024,056 and the actuarial value of assets was $18,420,498, resulting in an unfunded actuarial accrued liability (UAAL) of $11,603,558. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was $11,294,717 and the ratio of the UAAL to the covered payroll was 103%.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Village presents the plan as a Pension Trust Fund within this report. No separate report is issued for the pension trust fund.

Covered employees are currently required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by State Statute. The Village is required to contribute at an actuarially determined amount. The employer rate for fiscal year ended April 30, 2012, was 24.74% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable and pursuant to formal commitments, as well as statutory or contractual requirements rather than the period in which employee services are performed. Refunds are recognized as paid.

Note 8. Pension and Retirement Plan Commitments (Continued)

The Village's annual pension cost and net pension (asset) of the Plan for the year ended April 30, 2012, were as follows:

Annual required contribution	$ 1,964,280
Interest on net pension obligation	(60,007)
Adjustment to annual requirement contribution	553,903
Annual pension cost	2,458,176
Contributions made	2,204,188
Decrease in net pension asset	253,988
Net pension (asset), beginning of year	(1,411,147)
Net pension (asset), end of year	$ (1,157,159)

The annual required contribution for the year ended April 30, 2012, was determined as part of the April 30, 2011, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 5.5%, (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2011, was 22 years.

Trend Information - Schedule of Employer Contributions

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation (Asset)
04/30/12	$ 2,458,176	$ 2,204,188	89.7%	$ (1,157,159)
04/30/11	1,941,556	1,584,771	81.6%	(857,244)
04/30/10	1,447,429	1,441,809	99.6%	(1,213,868)

Funded Status and Funding Progress. As of April 30, 2011, the most recent actuarial valuation date, the Police Pension Plan was 71.9% funded. The actuarial accrued liability for benefits was $60,478,664 and the actuarial value of assets was $43,497,563, resulting in an unfunded actuarial accrued liability (UAAL) of $16,981,101. The covered payroll (annual payroll of active employees covered by the plan) was $6,405,212 and the ratio of the UAAL to the covered payroll was 265.1%.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability.

Note 8. Pension and Retirement Plan Commitments (Continued)

Membership in the plan consisted of the following as of April 30, 2012:

Retirees and beneficiaries receiving benefits	33
Terminated plan members entitled to but not yet receiving benefits	1
Active vested plan members	56
Active nonvested plan members	16
	106

Note 9. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois, which have formed an association under the Illinois Intergovernmental Cooperation Statute, to pool its risk management needs. The Agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first $10,000 of each occurrence. IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA, experience modification factors based on past member loss experience and optional deductible credits. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

The Village purchases commercial insurance to cover its employees for health and accident claims.

The Village has not had significant reductions in insurance coverage from the previous fiscal year nor did settlements exceed insurance coverage in any of the last three years.

Note 10. Other Fund Disclosures (FFS Level Only)

Other information related to individual funds includes the following:

(a) Interfunds

Individual fund interfund receivable and payable balances as of April 30, 2012, are as follows:

Fund	Due From Other Funds
Other Nonmajor Governmental	
General	$ 29,921

Fund	Due To Other Funds
General	
Other Nonmajor Governmental	$ 29,921

Interfund debt reflects operating loans which are expected to be repaid in the following fiscal year.

(b) *Advances*

Fund	Advance To Other Funds
Capital Improvements	
General	$ 1,101,856
Waterworks and Sewerage	
General	1,321,642
Total	$ 2,423,498

Fund	Advance From Other Funds
General	
Capital Improvements	$ 1,101,856
Waterworks and Sewerage	1,321,642
Total	$ 2,423,498

Advances reflect loans between funds which are not expected to be repaid in the following fiscal year.

Note 10. Other Fund Disclosures (FFS Level Only) (Continued)

Transfers for the year ended April 30, 2012 are as follows:

Fund		Transfer From Other Funds
General		
Nonmajor Governmental	$	222,670
Capital Improvements		
General Fund		5,840,897
Waterworks and Sewerage		60,000
Nonmajor Governmental		4,179,412
Commuter Parking Lot		50,000
Waterworks and Sewerage		
General Fund		356,793
Nonmajor Governmental		
General Fund		943,562
Capital Improvements		675,403
Other Nonmajor Governmental		7,933,276
Total	$	20,262,013

Fund		Transfer To Other Funds
General		
Capital Improvements	$	5,840,897
Nonmajor Governmental		943,562
Waterworks and Sewerage		356,793
Capital Improvements		
Nonmajor Governmental		675,403
Waterworks and Sewerage		
Capital Improvements		60,000
Commuter Parking Lot		
Capital Improvements		50,000
Nonmajor Governmental		
Other Nonmajor Governmental		7,933,276
General Fund		222,670
Capital Improvements		4,179,412
Total	$	20,262,013

Interfund transfers are to assist with payment of debt and cover expenses incurred in funds where work is related to other funds.

Note 10. Other Fund Disclosures (FFS Level Only) (Continued)

In addition, the Village had the following transactions with its component unit, the Library:

	Transfers From
Component Unit, Library	
Capital Improvements	$ 150,000

	Transfers To
Capital Improvements	
Component Unit, Library	$ 150,000

Budget Overexpenditure

The following funds overexpended their budgets for the year ended April 30, 2012, by the following amounts: the Drug Enforcement (Special Revenue) overexpended by $5,353, and the Library Special Building (Component Unit) overexpended by $253,678.

Deficit Fund Balance

The following funds had deficit fund balances for the year ended April 30, 2012: 2009 General Obligation Bonds (Debt Service) $143,725.

Note 11. Postemployment Healthcare Plan

Plan Description. The Village of Tinley Park (Village) provides limited health care insurance coverage for its eligible retired employees. Dependent coverage is available to eligible retired employees at an additional cost to the retiree. This is a single-employer plan. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy. The required contribution is based on projected pay-as-you-go financing requirements. Retirees receive coverage under the Village's health plan with a limited employer contribution rate applied towards the premiums for the coverage elected by the employee. For fiscal year 2012, the Village contributed $527,276 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Note 11. Postemployment Healthcare Plan (Continued)

The following table shows the components of the Village's annual OPEB cost for the year ended April 30, 2012, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution	$ 1,164,685
Interest on net OPEB obligation	128,973
Adjustment to annual requirement contribution	(85,982)
Annual OPEB cost (expense)	1,207,676
Contributions made	527,276
Increase in net OPEB obligation	680,400
Net OPEB liability, beginning of year	2,579,451
Net OPEB liability, end of year	$ 3,259,851

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/12	$ 1,207,676	43.7%	$ 3,259,851
04/30/11	1,331,407	24.5%	2,579,451
04/30/10	1,266,628	41.6%	1,573,706

Funded Status and Funding Progress. As of April 30, 2012, the most recent actuarial valuation data, the plan was not funded. The actuarial accrued liability for benefits was $15,236,208, and the actuarial value of assets was $0, resulting in an unfunded actuarial liability (UAAL) of $15,236,208. The covered payroll (annual payroll of active employees covered by the plan) was $17,061,005, and the ratio of the UAAL to the covered payroll was 89.30%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Note 11. Postemployment Healthcare Plan (Continued)

In the April 30, 2012 actuarial valuation (the most recent available), the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, 5.0% projected salary increases, and an annual healthcare cost trend rate of 8.0% initially, reduced by decrements to an ultimate rate of 6.0%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2012 was 30 years.

Note 12. Lake Michigan Water Project and Sanitary Sewer Services

In 1973, the Village entered into water service supply agreements with the Village of Oak Lawn, Illinois (Oak Lawn) whereby Oak Lawn constructed a water transmission line to provide Lake Michigan water to the Village and to neighboring communities. The purpose of the transmission line, as well as the related assets constructed by the Village was to provide, pump, and store Lake Michigan water. The project began operations in 1974.

To finance the construction of the transmission line, which remains the property of Oak Lawn, Oak Lawn issued general obligation bonds. As part of the current water supply agreements the Village was responsible for a share of the costs related to the construction of the transmission line. In addition to the transmission line costs, the Village was responsible for a portion of principal and interest on the bonded debt incurred by Oak Lawn to finance the expansion of the pumping and storage system, and was to make semiannual payments to Oak Lawn as the bonds are repaid through the fiscal year 2012. Payments were in proportion to the Village's water allocations. The final payment was made in fiscal year 2012.

The Village also pays Oak Lawn for the purchase of Lake Michigan water which is based upon water consumption. During the year ended April 30, 2012, this additional amount totaled $7,825,369.

In 1982, the Village of Tinley Park entered into a water supply contract with Citizens Utilities (now Illinois American Water, hereafter IAW). Under this contract, the Village supplies Lake Michigan water to this private utility company that serves a portion of the Village of Orland Hills, and a small Orland Park subdivision. For services provided under the agreement, the Village receives a handling fee toward the maintenance and operation of the water system, calculated on gallons supplied to IAW. The contract, as amended, has expired as of November 2006. Negotiations on a contract renewal are in process. The Village has continued to supply water to IAW under terms of the amended contract previously noted.

Under a 1999 water supply contract, the Village of Tinley Park also supplies Lake Michigan water to the Villages of New Lenox and Mokena. Similar to the IAW agreement, the Village receives a handling fee toward the maintenance and operation of the water system calculated on the gallons supplied to New Lenox and Mokena. The contract runs for a term of forty years (2039). Additionally, New Lenox and Mokena are responsible for a portion of the Village's commitment to Oak Lawn for debt service and the net amount paid by the Village is reflected in the table on the preceding page.

Sanitary Sewer Services

The portion of the Village of Tinley Park located within Cook County receives sanitary sewer treatment and disposal services through the Metropolitan Water Reclamation District (MWRD). The District charges for these services through a property tax against all property within its District.

Note 12. Lake Michigan Water Project and Sanitary Sewer Services (Continued)

In 1978, the Village of Tinley Park entered into a service agreement with the MWRD to provide sanitary sewer treatment and disposal services to a portion of Will County that was within the corporate limits, or planning area, of the Village. The fee for these services is calculated on a basis similar to the property tax the MWRD receives within its District boundaries assessed on all properties within the service area that are incorporated into the Village, but includes a premium factor for service outside their normal service area. These annual service fees are then charged to the individual properties as part of their quarterly utility billings. During the year ended April 30, 2012, the Village paid $634,030 under this agreement.

A portion of the Village of Tinley Park located in Will County receives sanitary sewer treatment and disposal services under a 1994 bulk wastewater treatment service agreement with Illinois American Water (formerly known as Citizen's Utilities). The fee for these services are based on the tariff schedule currently in effect as approved from time to time by the Illinois Commerce Commission. This agreement runs for a term of forty years, with a provision for a ten-year extension. The Village's utility customers within this service area are charged for these services as part of the quarterly utility billings. During the year ended April 30, 2012, the Village paid $416,217 under this agreement.

Under a 1996 wastewater treatment service agreement, the Village of Frankfort (Frankfort) provides sanitary sewer treatment and disposal services to a portion of the Village of Tinley Park located within Will County. This agreement runs for a period of twenty years (2016), with provision for extension. Frankfort receives a fee, based on water consumption, which is included as part of the utility bills to these property owners. During the year ended April 30, 2012, the Village paid $227,880 under this agreement.

Note 13. Commitments

The Village has agreements associated with the development of the Park Center Plaza to provide economic assistance in the development of the shopping center. Under the 1988 amended agreement, municipal sales taxes collected by the Village from this shopping plaza up to a maximum of the incremental $150,000 in excess of $425,000 annually are to be set aside for remittance to the bondholder(s) of limited sales tax bonds issued in conjunction with the agreement. The incremental taxes generated are referred to as "Recapture Differential" under the agreement. The Unused Recapture Differential is held until sufficient funds are accumulated to retire the next series of interest coupons. After all the outstanding interest coupons have been retired, Recapture Differential is then applied to retire outstanding bonds in serial order. The total amount to be provided under this agreement is not to exceed $1,500,000 and the actual total commitment of $1,426,719 is less than the established maximum. Unpaid bonds and interest coupons outstanding under the limited sales tax bond issue total $1,337,800 as of April 30, 2012. Through the year ended April 30, 2012, the annual sales taxes collected from the development have exceeded the $425,000 minimum threshold in a total of four incentive based fiscal years, and have generated a total of $89,416 in "Recapture Differential." Of this amount, $88,919 has been provided to the bond registrar for benefit of the bondholder(s) and retirement of the outstanding debt service. The remaining unused Recapture Differential in the amount of $497 is held as of April 30, 2012.

The Village has an agreement with the developers of a commercial development known as 1-80 World to provide possible future economic assistance in the development of this commercial complex. Under this 1997 agreement, which ran through April 2003, the Village agreed to remit to the developers a portion of the municipal sales taxes collected by the Village from the businesses located within the development in excess of a base amount each year. The initial base amount was $120,000 and increased by 8% each year thereafter. The total contingent amount to be provided under this agreement was not to exceed $1,600,000. The total economic assistance earned under this agreement through April 30, 2003 was $1,600,000. As of April 30, 2012, $263,450 has been held and accrued pending completion by the developer of certain public improvements as required under the agreement.

Note 13. Commitments (Continued)

Under the 1998 development agreement for the construction of a full service hotel adjacent to the Village's Convention Center, the Village of Tinley Park agreed to pay an annual amount toward the costs of maintenance and repair of the Convention Center to the hotel operator, who also manages and operates the Convention Center facility on behalf of the Village. In December 2008, the hotel operator and the Village entered into new development and management agreements due to the expansion of the convention center and anticipated expansion of the hotel. Under the new management agreement, the hotel operator receives the Facility Maintenance Cost Sharing payment in two equal installments each year of $510,000 the first year and $675,000 each subsequent year of the 10 year agreement. Additionally, the Village will support capital improvement expenditures benefiting the convention center facility of $500,000 in the first year and $185,000 each subsequent year of the agreement. The Village has agreed to a payment to hotel developer/operator of up to $3,700,000 as a TIF qualified reimbursement for interest costs write-down in the final year of the TIF per the agreement contingent upon the completion of the contemplated hotel expansion and the availability of TIF funds. As of April 30, 2012, the Village has paid a total of $2,197,500 to the hotel developer/operator under the new agreement.

The Village of Tinley Park entered into an intergovernmental agreement with Community Consolidated School District 146 for the purchase of the former Central Middle School site located one block east of Oak Park Avenue. The approximately three acre retired school site is located in the Main Street South TIF District. Under the terms of this 2003 agreement, the Village paid $350,000 at closing, with an additional $1,000,000 due within the five years after the transfer of title (December 2008). Additionally, the School District would be entitled to 30% of any incremental taxes generated by the property from December 2008 through the life of the TIF to a maximum of $1,650,000 ($3,000,000 overall total). The Village intends to utilize the property for temporary parking and staging area for construction projects contemplated in the Main Street South TIF District, and then sell the property for redevelopment, most likely for town homes or similar density residential development. As such, the property remains tax exempt and has not generated any incremental taxes. As of April 30, 2012, the Village has paid a total of $1,350,000 under the agreement.

An intergovernmental agreement was established between the Village of Tinley Park and Community Consolidated School District 146 associated with the Main Street North TIF District. Under this 2003 agreement and subject to some restrictions and priorities, 17% of the incremental taxes generated over the life of the TIF or a maximum of $2,500,000 are to be set aside for possible future capital improvements made by the School District within the Main Street North TIF District. A total of $627,325 has been accumulated in the aforementioned Cap Fund through April 30, 2012.

The Village has an agreement with the owner/developer of the Hilton Garden subdivision to provide possible future economic assistance in the redevelopment of the property. Under this 2003 agreement, the Village paid for the installation of certain public improvements on behalf of the developer. The developer agreed to provide certain other site improvements and enhancements beyond normal Village standards in an estimated amount not to exceed $450,000. The agreement, which runs for a ten year period beginning with the completion of the first hotel (Hilton Garden Inn) on the property, the Village will first recover its cost of the public improvements, plus interest at 3.46%, from hotel/motel taxes generated from the development. Provided that the development has been fully completed, including the identified enhancements, the Village would thereafter remit to the owner/developer a portion of the municipal hotel/motel accommodations taxes generated up to a maximum of $450,000. The agreement provides that the Village is not obligated to provide any financial assistance to the developer should the development conditions not be met by September 30, 2005. The agreement was subsequently amended to extend the developer's completion date to September 30, 2006. The agreement also provides that the Village can provide a lesser pro-rated assistance amount at its discretion based on the amount expended on identified enhancements that have been completed. The public improvements paid by the Village totaled $640,796. Through the end of the April 30, 2012 fiscal year a total of $732,708 has been recouped from the hotel/motel accommodations taxes generated from businesses located on the property and represents the full recovery of the public improvements and related interest. As of April 30, 2012, this commercial development had not completed all required site improvements, and the completion date has passed, therefore, no other direct financial assistance payments are currently due.

Note 13. Commitments (Continued)

The Village has entered into an agreement with Menard, Inc. to provide economic assistance to redevelop portions of what was formerly known as the Brementowne Mall in order to expand their Tinley Park store location. Under the original 2004 agreement, the total economic assistance provided was $21,050. This agreement was terminated in April 2011 as a new agreement was adopted in relation to a proposed further expansion of their business location. Under the 2011 agreement with Menard, Inc., the Village will provide economic assistance to the company to redevelop the former Gateley's Department Store building, most recently occupied by Midwest Suburban Publishing and the SouthtownStar Newspaper corporate offices for a further expanded Menard's retail center. Under this agreement, the Village will remit 50% of the sales taxes generated by the local Menard's business location in excess of $288,000 annually commencing once the new expansion is completed and continuing for a total of ten years. The maximum incentive to be provided under this revised agreement is $1,000,000. As of April 30, 2012, the expansion/renovations had not commenced, and therefore, no financial assistance payments are currently due.

The Village entered into a development agreement with Ryan Companies US, Inc. as owner/developer to provide possible future economic assistance in association with the development of a commercial shopping center known as Brookside Marketplace. Under this 2004 agreement, which runs for a ten year period beginning with the opening of the key anchor store, the Village will provide a maximum of $5,000,000 in financial assistance through sharing of sales tax revenues generated by the development. In addition, the Village reimbursed the developer a total of $2,517,267 for certain development costs in addition to certain infrastructure related costs paid for directly by the Village. The Village will remit a portion of the sales taxes generated in excess of an annual amount of $75,000 in semi-annual payments until either the maximum amount is achieved or the term expires (whichever occurs first). As of April 30, 2012, the total economic assistance provided through sales tax sharing under this agreement is $3,683,707. Incentive dollars earned through April 30, 2012 have been accrued in the amount of $393,000, but is not due and payable until after the conclusion of the semi-annual reporting periods of the incentive year.

In February 2011, the Village entered into an inducement agreement with Ryan Companies US, Inc. to provide possible future economic assistance in association with addition of new retail facilities in the commercial shopping center known as Brookside Marketplace. Due to the recession, and changing economic climate, the developer requested additional assistance to entice new retailers to construct or occupy new stores in the Brookside Marketplace shopping center. The agreement was predicated on adding, at a minimum, HomeGoods and Old Navy stores to the shopping center. This agreement runs for a ten year period beginning with the opening of the first store to occupy retail spaces constructed after December 31, 2010. The Village will provide a maximum of $1,250,000 in financial assistance under this agreement through sharing of sales tax revenues generated by the new store development. The Village will provide the developer 54% of the sales taxes generated from the new retail spaces constructed post-2010 in semi-annual payments until either the maximum amount is achieved or the term expires (whichever occurs first). The developer (Ryan Companies US, Inc.) entered into an agreement with DDR Brookside, LLC on January 16, 2012 in relation to the sale of the Brookside Marketplace properties. As part of this agreement, Ryan Companies US, Inc. and DDR Brookside, LLC will each share a portion of this incentive. The inducement agreement was amended on March 6, 2012 to provide for this change. As of April 30, 2012, no payments had been made under the agreement. Incentive dollars earned through April 30, 2012 have been accrued in the amount of $43,750, but is not due and payable until after the conclusion of the semi-annual reporting periods of the incentive year.

The Village entered into an agreement with Sord Management, Inc. as owner/developer, to provide possible future economic assistance in the development of a commercial shopping center known as Park Hills. Under this 2004 agreement, which ran for a twenty year period beginning with the Village's issuance of the first Certificate of Occupancy (June 2006), the Village would provide the developer 25% of the sales taxes generated from businesses located on the site. All of the developer and development commitments under the agreement have not been completed, and as such, no payments were yet required. The shopping center was sold in August 2011 which terminated the developer's right to receive a share of sales taxes from the development.

Note 13. Commitments (Continued)

The Village has entered into an intergovernmental agreement with the Village of Orland Hills providing for possible sales tax revenue sharing in association with development of a commercial shopping center known as Park Hills. The site of this development was in the planning area for the Village of Tinley Park, but had been annexed by Orland Hills. However, it was subsequently determined that the Village of Orland Hills was unable to adequately provide certain public services necessary for the site to develop. The property was subsequently de-annexed by Orland Hills and annexed to Tinley Park. The primary storm water detention for this development is being provided by a nearby site within the corporate limits of the Village of Orland Hills. In the spirit of inter-governmental cooperation, it was agreed that the two communities would share in the sales tax revenues generated by the shopping center development. Tinley Park was required to pay for the modification of a storm water detention pond located in Orland Hills that would be utilized by this commercial development. Under this 2005 agreement, beginning with the Village's issuance of the first Certificate of Occupancy for the Park Hills Shopping Plaza, the Village of Tinley Park will provide the Village of Orland Hills with 65% of the municipal sales taxes received from businesses located on the site for the next twenty years. After the initial twenty year period, the Village of Orland Hills will receive 55% of the municipal sales taxes received from the development. However, Tinley Park would be allowed to retain a portion of the Orland Hills share of the sales taxes in repayment of the costs associated with modification of the storm water facilities in Orland Hills. As of April 30, 2012, approximately $213,800 in sales tax sharing has been determined. The Village of Tinley Park expended $1,760,227 on the storm water detention facility. As the costs of the detention pond modifications were substantially greater than anticipated, by mutual agreement of the two municipalities, no payments have been made.

The Village has entered into an agreement with Hanfer, Inc. (doing business as Hansen Development) to provide possible future economic assistance in the redevelopment and construction of a mixed-use commercial and residential project located on 183rd Street commonly referred to as Tinley Pointe. Under this 2005 agreement, the Village will provide a maximum of $423,000 in financial assistance in the form of reimbursement of eligible redevelopment costs including demolition, utilities, and roadwork. The total of qualified costs was determined to be $318,587. The incentive is payable over a maximum five year period from tax increment financing (TIF) revenue generated by the redevelopment which is located in the Oak Park Avenue TIF District. A total of $318,587 in TIF reimbursements have been paid as of April 30, 2012 and the agreement is concluded.

An agreement with JP Gallagher Building Corp was approved during 2005 to provide economic assistance in redeveloping the former Lion's Pool site for eight (8) upscale single family wooded homes. The redevelopment site, known as Forest Glen, is located within the Main Street North TIF District. Under this agreement, the Village constructed a bridge over Midlothian Creek to allow Willow Lane (on the east) to be improved and interconnected with Gaynelle Road (on the west) and providing a means of public access through the development. This bridge was estimated to cost $250,000, with the developer providing $90,000 toward the project as building permits were issued. This financial assistance was provided from sources other than tax incremental financing (TIF) revenues generated by the project. The Village has completed its commitment under the agreement and has expended $545,666 on the bridge and roadway project. A total of one building permit has been issued for this development to date. No other financial assistance has been provided.

An agreement with Family Hyundai and Suzuki, Inc. was approved during 2005 to provide possible future economic assistance in development and construction of a new Hyundai automobile dealership location, and the renovation and expansion of the existing Hyundai building for the Suzuki automobile dealership. Under this 2005 agreement which was to run for a ten year period, the Village would provide a maximum of $1,250,000 in financial assistance from sales taxes generated by the two automobile dealership locations. This agreement was modified in April 2009 to provide for sharing of the economic assistance with Community Motors, Inc. who would purchase and renovate the former Hyundai location (Suzuki dealership under the original agreement) for a Pontiac and GMC dealership (the Pontiac brand was subsequently retired by General Motors). The Village remits a portion of the sales taxes generated in excess of a base amount over the life of the agreement, until either the maximum amount is achieved or the term expires. The initial base amount was $437,000, and the base amount increases annually to a maximum of $547,328 over the life of the agreement. During fiscal year 2009, the Village Board

Note 13. Commitment (Continued)

approved an extension of the term of the incentive agreement to a maximum of twelve years at the request of the business owners/developers. As of April 30, 2012 a total of $67,845 has been paid under this agreement. Incentive dollars earned through April 30, 2012 have been accrued in the amount of $84,347. In June 2012, Community Motors, Inc. sold its GMC dealership and the franchise was relocated to another Tinley Park location. These transactions have put the inducement agreement in default. Potential liquidating damages would be due to the Village in the form of return of a portion of the previously paid incentives if the default is not cured.

A development agreement was approved between the Village of Tinley Park and Tinley Park Place LLC to provide possible future economic assistance in the redevelopment and construction of a mixed-use commercial and residential project encompassing Block 4 of the Village of Bremen (now Tinley Park), at Oak Park Avenue and North Street commonly known as Tinley Park Place. The proposed redevelopment project consisted of development of approximately 60,000 square feet of retail commercial and office space, an 11 screen movie theater, and 115 residential condominiums. This 2008 agreement provided for a maximum of $12,000,000 in financial assistance for demolition, professional services, and construction payable from tax incremental financing (TIF) revenues generated by the project. This incremental tax assistance is subject to priorities for statutorily required payments to school or other districts and Village administrative expenses. Additionally, the developers are eligible to receive a maximum of $1,300,000 in amusement taxes generated by the development over no more than a ten year period after the cinema opens. The Village is committed to constructing, or reimbursing for approximately $25,000,000 in public improvements including roadway, water, sanitary sewer, and storm sewer improvements and construction of public parking. The redevelopment site is located within the Main Street South TIF District. The developer has not met the conditions necessary to be eligible for any payments under this agreement as of April 30, 2012. Likewise, the Village is not obligated to commence any of the related public improvements at this time. This notwithstanding, the Village has proceeded with the acquisitions and clearing of real estate associated with this development totaling $837,158. In addition, the Village has authorized the engineering and design for the parking facilities (including temporary parking) and has incurred $1,853,735 in related expenses as of April 30, 2012.

Since approving the plans for the Tinley Park Place development and establishing the original development agreement, certain properties had been vacated and were becoming a public nuisance and blight on the community. To address this issue, in February 2011, the Village entered into an agreement with Tinley Park Place, LLC providing for the reimbursement of demolition costs for certain identified structures on North Street. This reimbursement would be treated as an advance on the qualified cost reimbursements and deducted from the total financial assistance provided for in the 2008 development agreement. The total of $122, 925 was incurred and paid as of April 30, 2012 and the related lien has been filed against the affected properties.

The Village of Tinley Park entered into a preliminary development agreement with South Street Development, LLC related to the construction of a mixed use development encompassing the majority of Block 9 of the Village of Bremen (now Tinley Park) which fronts South Street across from the Tinley Park Oak Park Avenue commuter station. This development is currently proposed to consist of retail commercial space combined with residential apartments. Under the 2007 preliminary agreement, the Village will provide a maximum of $2,200,000 in reimbursement of TIF eligible expenses. Although the developer has not received any direct reimbursement payments, the developer has received benefit of $637,430 in expenses paid by the Village for real estate acquisition, demolition, and other site related costs under this agreement as of April 30, 2012. These costs will count toward the maximum financial assistance to be provided.

In conjunction with the development of a new corporate world headquarters, the Village of Tinley Park and Panduit Corporation entered into an agreement providing for certain financial assistance in May 2008. Under this agreement, the Village will rebate a portion of the Village's property taxes extended against the property in excess of $26,000 each year for a maximum of $2,200,000 over twenty years. The company moved into the new building in mid-2010. The initial incentive year begins the year that the completed project is fully assessed for property tax purposes. As of April 30, 2012, a total of $61,469 has been paid under this agreement. Based on the 2011 property taxes (payable in calendar 2012), the Company will be potentially eligible for a rebate of $69,447. The rebate is contingent on the Company paying the total amounts due on the annual property tax bill, which has not occurred as of April 30, 2012.

Note 13. Commitments (Continued)

Related to the development of the Panduit Corporation world headquarters complex, the Village entered into a sales tax sharing agreement with related Panduit Procurement LLC in April 2008 which provides for the sharing of 50% of all sales taxes generated by the business for a ten year period with no maximum limitation. As of April 30, 2012, a total of $212,419 had been paid under this agreement and an estimated $8,943 has been accrued based on expected sales tax reporting through the end of the fiscal year.

An agreement between Temperature Equipment Corporation (TEC), the Village of Lansing, and the Village of Tinley Park was approved in April 2010 to provide economic assistance to TEC in relocating its sales office to a location in Tinley Park from Lansing, IL. Under Illinois statutes, this agreement was required to provide compensation to Lansing for the loss of sales tax revenues due to the economic incentive being offered in association with this type of sales relocation. This agreement, covering a ten year period, provides for the sharing of sales taxes generated by the business in excess of $20,000 annually. The next $600,000 in sales taxes generated would be shared 50% to TEC and 25% to Lansing. Sales taxes in excess of $620,000 are shared 25% to TEC, and 25% to Lansing with no maximum limit. As of April 30, 2012, a total of $821,896 has been paid under the agreement and an estimated $188,856 has been accrued based on expected sales tax reporting through the end of the fiscal year.

The Village entered into an agreement with International Imports, LLC in April 2010 to provide economic assistance in conjunction with the remodeling of facilities to accommodate a Subaru dealership. Under this agreement, which runs for a ten year period, the Village will provide a maximum of $395,000 in financial assistance through sales taxes generated by the new automobile dealership. As of April 30, 2012 a total of $27,833 has been paid under the agreement. Incentive dollars earned through April 30, 2012 have been accrued in the amount of $29,325, but is not due and payable until after the conclusion of the incentive year.

In May 2010, the Village entered into an agreement with International Imports, LLC to provide economic assistance associated with the purchase of a vacant dealership location, related renovations, and relocation of a Mazda dealership. Under this ten year agreement, the Village would provide a maximum of $805,000 in financial assistance through sales taxes generated by the new automobile dealership. In March 2011, the agreement was amended to replace the Mazda dealership franchise with a MINI dealership. As of April 30, 2012, no payments have been made under the agreement. Incentive dollars projected to be earned through April 30, 2012 have been accrued in the amount of $26,000, but is not due and payable until after the conclusion of the incentive year.

The Village entered into an agreement with Steiner Electric Co in February 2011 to provide economic assistance associated with the renovation of a vacant industrial building for a manufacturing and distribution division of the company. The agreement encompasses a ten year period beginning with September 2011 and provides for sales tax sharing in an amount not to exceed $212,000 over the life of the agreement. The company will receive 25% of the sales taxes generated on an annual basis in excess of $5,000. As of April 30, 2012, no payments have been made under the agreement. Incentive dollars projected to be earned through April 30, 2012 have been accrued in the amount of $14,250, but is not due and payable until after the conclusion of the incentive year.

Apple Chevrolet, Inc. and the Village of Tinley Park entered into an agreement in June 2011 to provide economic assistance associated with the renovation, remodeling, and other upgrades to their sales facilities in Tinley Park. The agreement encompasses a ten year period beginning no later than July 2012 and provides for sales tax sharing in an amount not to exceed $350,000 over the life of the agreement. The company will receive 33% of any sales taxes generated on an annual basis in excess of $355,000. As of April 30, 2012, the improvements had not been completed and therefore no payments have been made under the agreement.

In June 2011, the Village approved an assignment of a 2009 incentive with 183rd & Tinley, LLC to DK Tinley Park, LLC in relation to the development of certain properties in the Oak Park Avenue Tax Increment Financing District. Under this agreement, the Village would reimburse up to $1,000,000 in qualified TIF reimbursable expenses for the substantial completion of at least two commercial structures. $500,000 would be payable upon completion of the first building, with the balance paid after completion of a second building. The TIF incentive is reduced by 33.33% per month for any project not substantially completed by July 2, 2013. As of April 30, 2012 no new buildings have been proposed or approved for construction, and therefore no payments are due.

Note 13. Commitments (Continued)

The Village of Tinley Park entered into an agreement with Kowalis Motors, Inc. in February 2012 to provide economic assistance associated with the renovation, remodeling, and other upgrades to their Orland Toyota sales facilities in Tinley Park. The agreement encompasses a ten year period beginning no later than September 2012 and provides for sales tax sharing in an amount not to exceed $1,000,000 over the life of the agreement. The company will receive 33% of any sales taxes generated on an annual basis in excess of $360,000. As of April 30, 2012, the improvements had not been completed and therefore no payments have been made under the agreement.

The Village has several construction contracts for various Village improvements totaling $7,213,697 at April 30, 2012.

Note 14. Pronouncements Issued But Not Yet Adopted

GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, will be effective for the Village with its year ended April 30, 2013. This statement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit plan.

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements,* will be effective for the Village beginning with its year ending April 30, 2013. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement establishes recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34,* will be effective for the Village beginning with its year ending April 30, 2014. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for the Village beginning with its year ending April 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* will be effective for the Village with its year ended April 30, 2013. The objective of this statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance when none previously existed.

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53,* will be effective for the Village with its year ended April 20, 2013. The objective of this statement is to enhance the comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.

Note 14. Pronouncements Issued But Not Yet Adopted (Continued)

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, will be effective for the Village beginning with its year ending April 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*, will be effective for the Village beginning with its year ending April 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*

GASB Statement No. 67, *Financial Reporting for Pension Plans*, will be effective for the Village beginning with its year ended April 30, 2015. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the Village beginning with its year ended April 30, 2016. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

Management has not yet completed its evaluation of the impact, if any, of the provisions of these statements on its financial statements.

Note 15. Restatement

For the year ended April 30, 2012, the Village implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions.*

As a result of implementing GASB 54, certain funds which were previously reported as special revenue funds no longer meet the criteria for reporting as such and are now reported as part of the General Fund. These funds were Storm Water Management, Hotel/Motel Tax, Main Street Development, Local Road Improvements, Train Station Operation and Maintenance, and Fire Alarm. The impact of implementing this new standard is detailed as follows:

	Fund Balances/ Net Assets
General Fund:	
April 30, 2011, as previously reported	$ 9,049,595
Adjustment for GASB 54	3,055,542
April 30, 2012, as restated	$ 12,105,137

Required Supplementary Information

Village of Tinley Park, Illinois

Illinois Municipal Retirement Fund
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	$ 18,420,498	$ 30,024,056	$ 11,603,558	61.35 %	$ 11,294,717	102.73 %
12/31/10	16,896,654	28,116,663	11,220,009	60.09	10,904,953	102.89
12/31/09	15,476,915	27,121,699	11,644,784	57.06	11,050,083	105.38

On a market value basis, the actuarial value of assets as of December 31, 2011 is $17,335,987. On a market basis, the funded ratio would be 57.74%.

Village of Tinley Park, Illinois

Police Pension Fund
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
4/30/11	$ 43,497,563	$ 60,478,664	$ 16,981,101	71.9 %	$ 6,405,212	265.11 %
4/30/10	38,532,632	56,117,025	17,584,393	68.7	6,522,884	269.58
4/30/09	32,559,551	52,118,070	19,558,519	62.5	6,242,342	313.32

Village of Tinley Park, Illinois

Schedule of Employer Contributions
Police Pension Fund

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
Fiscal Year		
2012	$ 1,964,280	112.21 %
2011	1,964,280	80.68
2010	1,472,463	97.92

Village of Tinley Park, Illinois

Schedule of Funding Progress
Postemployment Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
4/30/11	$ -	$ 15,236,208	$ 15,236,208	0.0 %	$ 17,061,005	89.30 %
4/30/10	-	14,285,906	14,285,906	0.0	16,459,219	86.80
4/30/09	-	14,108,935	14,108,935	0.0	14,999,067	94.07

Village of Tinley Park, Illinois

Combining Balance Sheet – General Fund, by Accounts
Year Ended April 30, 2012

	General Agency	Storm Water Management	Hotel/Motel Tax
Assets			
Cash and cash equivalents	$ 12,770,638	$ 1,768,339	$ 1,188,604
Receivables:			
Property taxes	11,467,189	-	-
Accounts	470,062	95,034	89,764
Intergovernmental	5,279,605	-	-
Total assets	$ 29,987,494	$ 1,863,373	$ 1,278,368
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 1,218,206	$ 16,635	$ 14,255
Accrued payroll	79,561	-	-
Deposits	5,197	-	-
Due to other funds	-	-	29,921
Advance from other fund	-	2,423,498	-
Deferred revenue	19,426,927	-	-
Total liabilities	20,729,891	2,440,133	44,176
Fund Balances (deficits)			
Unassigned	9,257,603	(576,760)	-
Assigned	-	-	1,234,192
Total fund balances	9,257,603	(576,760)	1,234,192
Total liabilities and fund balances	$ 29,987,494	$ 1,863,373	$ 1,278,368

Main Street Development	Local Road Improvements	Train Station Operation & Maintenance	Fire Alarm	Total
$ 1,604,700	$ 1,499,023	$ 873	$ 574,523	$ 19,406,700
-	-	-	-	11,467,189
-	20,717	-	8,705	684,282
-	-	-	-	5,279,605
$ 1,604,700	$ 1,519,740	$ 873	$ 583,228	$ 36,837,776
$ 4,700	$ -	$ 2,273	$ 4,957	$ 1,261,026
-	-	-	-	79,561
-	-	-	-	5,197
-	-	-	-	29,921
-	-	-	-	2,423,498
-	-	-	-	19,426,927
4,700	-	2,273	4,957	23,226,130
-	-	(1,400)	-	8,679,443
1,600,000	1,519,740	-	578,271	4,932,203
1,600,000	1,519,740	(1,400)	578,271	13,611,646
$ 1,604,700	$ 1,519,740	$ 873	$ 583,228	$ 36,837,776

Village of Tinley Park, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) – General Fund, by Accounts
Year Ended April 30, 2012

	General Agency		Storm Water Management		Hotel/Motel Tax	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:						
Property taxes	$ 19,438,000	$ 18,428,532	$ -	$ -	$ -	$ -
Other taxes	12,695,000	12,603,788	-	-	1,020,000	1,159,957
Interest	120,000	124,496	18,000	19,953	12,000	9,002
Fines, forfeitures and reimbursements	787,800	1,214,608	-	-	-	404
Licenses, permits and fees	1,765,000	1,929,435	-	-	-	-
Charges for services	181,450	354,767	503,000	491,023	-	-
Intergovernmental	4,913,600	5,337,424	-	-	-	-
Miscellaneous	321,400	639,234	-	15,413	-	-
Total revenues	40,222,250	40,632,284	521,000	526,389	1,032,000	1,169,363
Expenditures:						
Current:						
General government	3,575,535	3,335,204	-	6,202	197,720	185,549
General overhead	2,801,694	1,982,874	-	-	-	-
Police	17,186,183	15,840,062	-	-	-	-
Fire	4,342,491	3,945,797	-	-	-	-
Emergency management agency (EMA)	811,645	796,676	-	-	-	-
Road and bridge	4,199,680	3,163,606	-	-	-	-
Electrical	1,105,985	1,043,256	-	-	-	-
Municipal building and grounds	793,650	659,885	-	-	-	-
Community development	1,423,656	1,381,718	-	-	-	-
Boards, commissions and committees	168,765	175,254	-	-	-	-
Senior bus service	99,420	79,569	-	-	-	-
Village bus services	59,185	40,333	-	-	-	-
Economic incentives	2,398,000	1,528,621	-	-	-	-
Debt service:						
Interest and fees	-	-	-	57,262	-	-
Bond issuance costs	-	-	-	20,611	-	-
Capital outlay	-	-	412,278	342,454	-	-
Total expenditures	38,965,889	33,972,855	412,278	426,529	197,720	185,549
Excess (deficiency) of revenues over (under) expenditures	1,256,361	6,659,429	108,722	99,860	834,280	983,814
Other financing sources (uses):						
Bond issuance	-	-	-	1,570,500	-	-
Premium on bond issuance	-	-	-	60,443	-	-
Transfers in	709,770	388,199	250,000	222,670	-	-
Transfers (out)	(1,863,860)	(6,839,620)	(316,958)	(542,836)	(845,924)	(774,851)
Payment to escrow agent	-	-	(2,259,980)	(1,552,500)	-	-
Total other financing sources (uses)	(1,154,090)	(6,451,421)	(2,326,938)	(241,723)	(845,924)	(774,851)
Changes in fund balances	$ 102,271	208,008	$ (2,218,216)	(141,863)	$ (11,644)	208,963
Fund balances (deficits):						
May 1, 2011, as restated		9,049,595		(434,897)		1,025,229
April 30, 2012		$ 9,257,603		$ (576,760)		$ 1,234,192

Main Street Development		Local Road Improvement		Train Station O&M		Fire Alarm		Interfund Reclassifications		Total	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,438,000	$ 18,428,532
-	-	-	-	-	-	-	-	-	-	13,715,000	13,763,745
16,000	12,126	-	6,065	-	-	1,200	3,068	-	-	167,200	174,710
-	-	-	20,717	-	-	-	-	-	-	787,800	1,235,729
-	-	295,000	432,728	-	-	-	-	-	-	2,060,000	2,362,163
-	-	-	-	-	-	357,150	366,299	-	-	1,041,600	1,212,089
-	-	-	-	-	-	-	-	-	-	4,913,600	5,337,424
48,500	56,297	-	-	11,000	10,700	-	982	-	-	380,900	722,626
64,500	68,423	295,000	459,510	11,000	10,700	358,350	370,349	-	-	42,504,100	43,237,018
155,980	155,418	-	-	73,380	37,514	269,621	99,708	-	-	4,272,236	3,819,595
-	-	-	-	-	-	-	-	-	-	2,801,694	1,982,874
-	-	-	-	-	-	-	-	-	-	17,186,183	15,840,062
-	-	-	-	-	-	-	-	-	-	4,342,491	3,945,797
-	-	-	-	-	-	-	-	-	-	811,645	796,676
-	-	-	-	-	-	-	-	-	-	4,199,680	3,163,606
-	-	-	-	-	-	-	-	-	-	1,105,985	1,043,256
-	-	-	-	-	-	-	-	-	-	793,650	659,885
-	-	-	-	-	-	-	-	-	-	1,423,656	1,381,718
-	-	-	-	-	-	-	-	-	-	168,765	175,254
-	-	-	-	-	-	-	-	-	-	99,420	79,569
-	-	-	-	-	-	-	-	-	-	59,185	40,333
-	-	-	-	-	-	-	-	-	-	2,398,000	1,528,621
-	-	-	-	-	-	-	-	-	-	-	57,262
-	-	-	-	-	-	-	-	-	-	-	20,611
-	-	-	-	-	-	19,800	12,797	-	-	432,078	355,251
155,980	155,418	-	-	73,380	37,514	289,421	112,505	-	-	40,094,668	34,890,370
(91,480)	(86,995)	295,000	459,510	(62,380)	(26,814)	68,929	257,844	-	-	2,409,432	8,346,648
-	-	-	-	-	-	-	-	-	-	-	1,570,500
-	-	-	-	-	-	-	-	-	-	-	60,443
91,480	98,827	-	504,029	62,380	25,000	-	-	(659,784)	(1,016,055)	453,846	222,670
-	-	(500,000)	-	-	-	-	-	659,784	1,016,055	(2,866,958)	(7,141,252)
-	-	-	-	-	-	-	-	-	-	(2,259,980)	(1,552,500)
91,480	98,827	(500,000)	504,029	62,380	25,000	-	-	-	-	(4,673,092)	(6,840,139)
$ -	11,832	$ (205,000)	963,539	$ -	(1,814)	$ 68,929	257,844	$ -	-	$ (2,263,660)	1,506,509
	1,588,168		556,201		414		320,427		-		12,105,137
	$ 1,600,000		$ 1,519,740		$ (1,400)		$ 578,271		$ -		$ 13,611,646

Village of Tinley Park, Illinois

Schedule of General Agency Revenues - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Property taxes	$ 19,438,000	$ 18,428,532
Other taxes:		
Municipal occupation taxes	12,320,000	12,218,590
Amusement	375,000	385,198
Total other taxes	12,695,000	12,603,788
Interest	120,000	124,496
Fines, forfeitures and reimbursements:		
Pace	30,000	26,505
State	35,400	112,487
Police grant	40,000	80,628
Custom seizures	10,000	5,607
Other reimbursements	138,800	198,665
Fines and penalties	483,600	581,170
Insurance	50,000	209,546
Total fines, forfeitures and reimbursements	787,800	1,214,608
Licenses, permits and fees:		
Liquor	125,000	127,342
Vehicles	470,000	325,000
Business	120,000	137,320
Cable franchise	760,000	893,435
Building permits	225,000	359,352
Contractor	45,000	64,615
Pet	2,000	2,271
Crime free rental license	18,000	20,100
Total licenses, permits and fees	1,765,000	1,929,435

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Revenues - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Charges for services:		
Police security	$ 110,000	$ 161,549
Rebillables	50,000	131,775
Fire protection	-	35,437
Senior bus	6,450	6,746
Elevator inspection fees	15,000	19,260
Total charges for services	181,450	354,767
Intergovernmental:		
Personal property replacement taxes	73,600	71,871
State income taxes	3,100,000	3,342,675
Illinois income tax surcharge	1,360,000	1,472,472
Telecommunication tax	380,000	450,406
Total intergovernmental	4,913,600	5,337,424
Miscellaneous	321,400	639,234
Total revenues	$ 40,222,250	$ 40,632,284

See Note to Required Supplementary Information.

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
General government:		
Mayor and trustees:		
Personal services:		
Salaries	$ 228,000	$ 228,067
Health and life	36,230	30,580
Social Security and IMRF	49,220	48,281
Contractual services and commodities:		
Telephone communications	1,922	2,149
Travel	500	198
Meetings and conferences	5,500	1,910
Reception and meals	12,000	6,291
Dues and subscriptions	9,557	12,512
Office supplies	2,500	1,727
Repairs and maintenance - computer equipment	500	-
Total mayor and trustees	345,929	331,715
Village manager:		
Personal services:		
Salaries	662,500	679,194
Employee health and life	72,600	59,791
Social Security and IMRF	143,425	141,357
Contractual services and commodities:		
Telephone communications	3,780	4,291
Meetings and conferences	1,600	2,517
Reception and meals	2,700	2,641
Dues and subscriptions	10,250	9,957
Gasoline	10,275	6,650
Travel	350	265
Office supplies	400	936
Repair motor vehicles	600	3,665
Other operating supplies	1,000	349
Total village manager	909,480	911,613
Finance:		
Personal services:		
Salaries	707,750	704,721
Employee health and life	116,100	92,664
Social Security and IMRF	149,620	146,302
Contractual services and commodities:		
Telephone communications	4,260	4,261
Travel	1,000	375
Training	6,800	1,952
Employment costs	200	150
Meetings and conferences	5,000	2,223
Reception and meals	750	705
Dues and subscriptions	13,288	12,966
Reference	200	433
Office supplies	1,200	381
Other operating supplies	50	26
Total finance	1,006,218	967,159

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
General government: (continued)		
Village clerk:		
Personal services:		
Salaries	$ 323,250	$ 301,503
Employee health and life	89,500	78,071
Social Security and IMRF	69,980	62,818
Contractual services and commodities:		
Training	3,000	46
Meeting and conferences	2,500	250
Receptions and meals	2,500	1,966
Printing	2,000	1,107
Legal and classified advertising	1,000	585
Dues and subscriptions	11,304	7,165
Other contractual services	500	-
Codification	6,500	4,252
Postage	3,500	3,617
Uniforms	2,000	32
Telephone communications	300	295
Office supplies	3,250	3,250
Total village clerk	521,084	464,957
Economic Development:		
Personal services:		
Salaries	194,000	189,739
Employee health and life	19,000	12,393
Social Security and IMRF	42,200	40,643
Contractual services and commodities:		
Travel	200	132
Meeting and conferences	2,500	2,438
Reception and meals	1,500	460
Employment costs	-	275
Dues and subscriptions	16,005	15,798
Marketing	5,000	4,421
Programs	11,700	11,329
Telephone communications	1,070	1,044
Postage	250	538
Office supplies	400	244
Gasoline	1,875	1,253
Repair motor vehicles	200	264
Other contractual services	1,000	131
Total economic development	296,900	281,102

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Marketing/Communications:		
Personal services:		
Salaries	110,250	101,718
Employee health and life	-	171
Social Security and IMRF	21,700	18,721
Contractual services and commodities:		
Travel	1,800	1,430
Meeting and conferences	4,800	190
Reception and meals	1,000	1,571
Printing	25,000	6,400
Repairs and maintenance	5,000	4,593
Website	6,700	5,330
Employment costs	-	2,495
Dues and subscriptions	3,914	3,158
Contract	14,000	15,040
Programs	165,900	99,134
Tourism grant	100,000	113,640
Telephone communications	1,860	1,232
Postage	3,000	2,674
Municipal TV station	5,500	-
Flags and banners	23,000	330
Office supplies	2,500	831
Total marketing/communications	495,924	378,658
Total general government	$ 3,575,535	$ 3,335,204
General overhead:		
Personal services:		
Employee health and life	$ 12,350	$ 12,295
Contractual services and commodities:		
Telephone communications	33,580	25,879
Wireless fire alarm	810	660
Printing	18,000	16,207
Liability insurance	1,000,000	695,702
Unemployment compensation	5,000	14,751
Insurance deductible	20,000	(1,629)
Maintenance operations	9,500	9,398
Dues and subscriptions	44,004	36,959
Other contractual service	316,710	180,628
Auditing services	37,000	34,305
Legal services	562,000	557,972

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
General overhead (continued):		
Illinois state police fingerprint fee	300	3,181
Administrative fees	7,500	33,623
Postage	13,860	16,090
Office supplies	10,000	11,757
Items for resale	59,680	45,972
Confectionery supplies	4,500	5,278
Other operating supplies	800	1,427
Repair motor vehicles	700	746
Exchange	70,680	78,502
Engineering rebillable	125,000	31,530
Appraisal services	5,000	2,000
Refunds	-	3,222
Property taxes	3,000	12,308
Miscellaneous	291,200	56,419
Fuel supplied to others	150,520	97,692
Total general overhead	$ 2,801,694	$ 1,982,874
Police:		
Personal services:		
Salaries	$ 10,716,925	$ 10,178,856
Employee recognitions	7,000	1,923
Employee health and life	2,524,450	1,957,316
Social Security and IMRF	613,095	542,633
Contractual services and commodities:		
Telephone communications	87,416	84,402
Travel	500	385
Training	37,967	52,708
Meetings and conferences	6,466	2,084
Reception and meals	2,050	923
Prisoner care	4,490	3,722
Employment costs	7,200	724
Tuition reimbursement	5,000	-
Animal care	11,875	12,386
Printing	16,800	11,337
Legal and classified advertising	5,200	1,207
Photography	1,400	1,035
Microfilming	4,500	3,066
Repair to machinery and equipment	42,445	21,308
Repair motor vehicles	80,740	85,398
Insurance deductible	40,000	83,219
Radio maintenance	22,080	5,901
Radio changeover	2,500	720
Machine rental	7,200	2,400
Towel and laundry service	1,000	735
Dues and subscriptions	113,828	109,819
Service contract by agreement	87,942	48,373

See Note to Required Supplementary Information.

(continued)

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Police (continued):		
Wireless fire alarm	$ 810	$ 813
Towing service	2,025	1,922
Medical services	3,050	360
Vehicle licenses	2,500	2,468
Postage	13,000	9,085
Office supplies	26,450	22,525
Confectionery supplies	1,500	1,432
Expendable tools	500	183
Gasoline	337,500	253,863
Oil	4,500	4,459
Miscellaneous fuels	600	356
Chemical supplies	11,550	6,807
Tires and tubes	18,500	14,126
Electric supplies	1,550	893
Books/manuals/brochures	27,950	31,975
Police operating supplies	26,965	26,343
Uniforms	11,791	22,549
Ammunition and targets	19,630	19,022
Signs and sign material	500	185
Grant expenditures	4,365	440
Training	5,878	3,485
Travel expenses	5,000	-
Pension contribution	2,210,000	2,204,191
Total police	$ 17,186,183	$ 15,840,062
Fire:		
Fire suppression:		
Personal services:		
Salaries	$ 2,612,750	$ 2,363,437
Employee health and life	-	3,292
Deferred compensation contribution	135,705	112,766
Social Security and IMRF	209,755	188,345
Employee recognition	-	1,000
Disability insurance	5,110	5,292
Insurance deductible	10,000	3,663
Contractual services and commodities:		
Telephone communications	89,681	85,465
Liability insurance	3,500	3,491
Training	30,650	29,135
Medical exams	2,200	-
Meetings and conferences	3,500	4,254
Employment costs	7,100	4,455
Reception and meals	2,000	2,426
Printing	3,075	1,606

See Note to Required Supplementary Information.

(continued)

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Fire (continued):		
Fire suppression:		
Contractual services and commodities (continued):		
Microfilm/digital imaging	$ 3,000	$ 1,969
Repair machinery and equipment	25,000	25,876
Repair motor vehicles	65,000	84,539
Radio maintenance	5,000	2,341
Repairs tires/tubes	12,000	5,731
Repair/maintenance airpaks	24,660	24,882
Equipment rental	10,454	6,600
Towel and laundry services	500	551
Service contracts	1,014	1,022
Testing services	4,725	1,434
Dues and subscription	23,582	16,882
Postage	917	912
Wireless fire alarm	3,240	3,254
Office supplies	7,500	5,607
Expendable tools	10,000	3,277
Gasoline	18,750	15,128
Diesel	39,500	39,004
Miscellaneous fuels	400	102
Chemical supplies	1,000	555
Hazardous material supplies	2,500	1,213
Janitorial supplies	5,000	5,626
Uniforms	40,000	41,807
Bunker gear	48,005	44,516
Hose	10,000	9,832
Other operating supplies	13,000	9,795
Total fire suppression	3,489,773	3,161,082
Fire prevention:		
Personal services:		
Salaries	$ 550,650	$ 518,130
Employee health and life	120,000	99,920
Social Security and IMRF	115,100	106,715

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Fire (continued):		
Contractual services and commodities:		
Accreditation expenses	-	6,282
Travel	450	337
Training	7,505	5,660
Meetings and conferences	1,450	787
Reception and meals	2,500	1,856
Printing	4,000	4,199
Photography	4,200	3,411
Blueprinting and mapping	2,000	2,254
Repair motor vehicles	2,500	2,326
Repair office equipment	2,000	321
Radio maintenance	500	-
Other contractual services	2,530	2,528
Dues and subscription	12,838	10,825
Postage	2,200	2,229
Office supplies	1,500	899
Gasoline	7,500	7,067
Pamphlets	1,000	499
Fire safety/ed program supplies	6,296	6,249
Uniforms	3,150	1,141
Fire investigations equipment	1,500	667
Signs and sign material	100	20
Other operating supplies	1,250	393
Total fire prevention	852,719	784,715
Total fire	$ 4,342,491	$ 3,945,797

See Note to Required Supplementary Information.

(continued)

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Emergency management agency (EMA):		
Personal services:		
Salaries	$ 105,200	$ 106,344
Employee health and life	-	190
Social Security and IMRF	21,405	22,679
Contractual services and commodities:		
Telephone communications	11,440	9,752
Travel	1,050	358
Medical exams / drug tests	500	-
Training	3,000	333
Meetings and conferences	3,000	1,589
Reception and meals	3,000	1,962
Printing	1,000	189
Repair machinery and equipment	3,680	2,709
Repair motor vehicles	7,400	6,442
Radio maintenance	3,000	1,764
Repair sirens	6,500	6,210
Computer maintenance	550	697
Dues and subscriptions	6,048	5,714
Ambulance service	606,000	605,699
Marketing/recruitment	4,000	1,306
Emergency disaster plan	4,000	2,167
Postage	300	101
Office supplies	800	669
Gasoline	10,500	12,799
Uniforms	3,000	3,136
Grant expenditures	2,952	2,389
Service contracts	1,320	1,478
Pamphlets	2,000	-
Total emergency management agency (EMA)	$ 811,645	$ 796,676

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Road and bridge:		
Personal services:		
Salaries	$ 1,866,550	$ 1,555,464
Employee health and life	441,200	361,009
Employee recognitions	-	805
Social Security and IMRF	397,080	323,325
Contractual services and commodities:		
Telephone communications	7,900	7,521
Training	3,000	617
Employment costs	500	700
Meetings and conferences	700	244
Reception and meals	1,000	208
Vehicle inspection	2,150	1,921
Printing	1,000	940
Photography	400	19
Blueprinting and mapping	200	-
Electricity	3,000	3,264
Water and sewer	-	1,173
Utility locating service	1,750	1,782
Maintenance lift station	5,000	-
Contract services - rebillables	4,000	10,103
Drainage maintenance	25,000	31,147
Repair machinery and equipment	62,000	34,026
Repair motor vehicles	60,000	20,903
Insurance deductible	50,000	25,533
Radio maintenance	1,000	340
Computer maintenance	500	667
Machine rental	6,000	4,865
Towels and laundry service	1,000	514
Dues and subscriptions	21,250	20,718
Drug testing	1,000	315
Service contract by agreement	2,000	1,653
Contract snow removal	40,000	61,060
Contract landscape maintenance	254,000	96,905
Other contractual services	38,500	17,665
Engineering services	125,000	134,113
Vehicle license	500	750
Soil testing	6,000	-
Refuse disposal	50,000	39,796
Duplicating	700	1,426
Advertising and legal notices	750	1,378
Postage	2,500	124
Office supplies	2,000	1,533
Confectionery supplies	1,300	982
First aid supplies	500	198
Expendable tools	5,000	4,970
Kerosene and LP gas	200	181
Gasoline	54,600	45,081
Oil	4,000	3,464
Diesel	91,050	48,673

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Road and bridge (continued):		
Chemical supplies	9,000	542
Tires and tubes	10,000	10,124
Electrical supplies	100	46
Books/manuals/brochures	500	133
Uniforms	16,000	11,895
Paint supplies	10,000	7,319
Thermo lane marking	2,000	1,973
Plumbing supplies	100	25
Landscaping materials	20,000	14,860
Retention maintenance	16,000	1,625
Lumber supplies	1,000	64
Welding supplies	700	863
Concrete and masonry supplies	20,000	14,774
Asphalt/road oil and tar	19,000	8,018
Sewer tile culvert and related supplies	12,500	4,071
Ice control for roads	250,000	109,784
Signs and sign material	40,000	14,544
Hardware	3,000	2,542
Safety supplies	7,000	7,816
Steel supplies	1,000	-
Sand/gravel/rock	20,000	12,182
Sidewalk repair	90,000	63,172
Other operating supplies	10,000	9,159
Total road and bridge	$ 4,199,680	$ 3,163,606
Electrical:		
Personal services:		
Salaries	$ 414,900	$ 430,994
Employee health and life	153,500	122,002
Social Security and IMRF	88,400	92,105
Contractual services and commodities:		
Telephone communications	6,450	3,911
Training	2,000	328
Meetings and conferences	100	-
Receptions and meals	500	83
Vehicle inspection	1,100	919
Printing	175	-
Utility locating service	1,750	1,782
Repair machinery and equipment	2,000	4,132
Repair motor vehicles	10,000	5,548
Towel and laundry service	750	514
Insurance deduction	10,000	6,922
Radio maintenance	1,500	170
Machine rental	500	-
Duplicating	400	393
Dues and subscriptions	3,010	2,961
Drug testing	250	150

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Electrical: (continued)		
Service contract by agreement	$ 1,350	$ 971
Traffic signal maintenance	42,000	31,538
Other contractual services	1,000	460
Vehicle license	200	125
Electricity	265,000	230,508
Office supplies	500	475
Confectionery supplies	500	425
First aid supplies	200	44
Expendable tools	1,100	826
Kerosene and LP gas	50	47
Gasoline	15,500	10,995
Oil	1,800	656
Diesel fuel	5,700	5,149
Tires and tubes	1,000	832
Electrical supplies	63,000	79,252
Uniforms	3,500	2,293
Paint supplies	-	376
Welding supplies	100	99
Concrete and masonry supplies	1,000	1,026
Hardware	200	140
Safety supplies	3,500	3,702
Other operating supplies	700	305
Books, manuals, brochures	700	-
Sand, gravel and rock	-	24
Chemical supplies	100	74
Total electrical	$ 1,105,985	$ 1,043,256
Municipal buildings and grounds:		
Personal services:		
Salaries	$ 282,000	$ 264,671
Employee health and life	75,400	56,053
Social Security and IMRF	58,790	53,184
Contractual services and commodities:		
Printing	100	595
Repair buildings and structures	64,000	50,118
Employment costs	700	125
Dues and subscriptions	3,650	3,539
Custodial services	52,000	44,990
Insurance deductible	10,000	230
Maintenance contract	19,000	8,750
Phone system maintenance	35,000	22,552
Other contractual services	38,000	34,078
Engineering	3,000	2,579
Planning services	-	2,000
Repairs and maintenance - computer equipment	-	242
Inspection fees	700	-
Wireless fire alarm	810	813
Telephone communications	2,000	1,837
Gas	37,000	29,764

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Municipal buildings and grounds:		
Electricity	$ 3,000	$ 2,808
Water and sewer	24,000	21,765
Confectionery supplies	500	634
Expendable tools	2,000	1,984
Diesel fuel	400	740
Chemical supplies	1,000	266
Electrical supplies	8,000	5,960
Janitorial supplies	18,000	8,385
Paint supplies	1,500	554
Plumbing supplies	1,800	3,026
Landscaping maintenance	27,000	22,699
Landscaping materials	4,000	24
Lumber supplies	300	55
Concrete	1,000	988
Hardware	1,500	1,060
Other operating supplies	9,000	4,596
Furniture repair	3,500	3,448
Office supplies	1,000	628
Uniforms	1,500	2,200
Flags and banners	500	1,945
Asphalt	2,000	-
Total municipal buildings and grounds	$ 793,650	$ 659,885
Community development:		
Building:		
Personal services:		
Salaries	$ 487,950	$ 477,400
Employee health and life	167,500	142,299
Social Security and IMRF	105,100	101,282
Contractual services and commodities:		
Telephone communications	6,050	5,529
Travel	500	706
Training	5,155	1,550
Meetings and conferences	810	215
Reception and meals	500	414
Printing	2,566	2,045
Repair motor vehicles	6,900	4,322
Repair office equipment	1,800	269
Towel and laundry services	-	147
Dues and subscriptions	9,851	9,238
Architectural fees	30,000	26,592
Elevator inspection	19,000	16,141
Engineering services	20,000	12,349
Postage	2,160	1,832
Office supplies	3,800	2,886
Gasoline	11,625	8,748
Books/manuals/brochures	240	219
Uniforms	1,550	678
Service contracts	900	600
Other operating supplies	1,500	839
Total building	885,457	816,300

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Planning:		
Personal services:		
Salaries	$ 310,750	$ 299,734
Employee health and life	68,700	53,771
Social Security and IMRF	67,840	63,670
Contractual services and commodities:		
Telephone communications	1,500	1,222
Travel	300	735
Training	1,470	605
Employment costs	-	100
Tuition reimbursement	13,000	12,440
Grant expenditures	-	80,819
Meetings and conferences	3,390	2,423
Reception and meals	1,000	829
Printing	4,500	6,241
Repair motor vehicles	300	140
Dues and subscriptions	7,386	7,292
Engineering services	25,500	21,216
Planning services	25,000	8,484
Office equipment	1,000	465
Postage	$ 1,000	$ 784
Office supplies	1,600	1,888
Gasoline	1,313	616
Books/manuals/brochures	300	71
Service contracts	600	600
Other supplies	1,750	1,273
Total planning	538,199	565,418
Total community development	$ 1,423,656	$ 1,381,718
Boards, commissions and committees:		
Civil service commission:		
Personal services:		
Salaries	$ 7,950	$ 7,774
Social Security and IMRF	615	592
Contractual services and commodities:		
Reception and meals	300	165
Legal and classified advertising	8,000	2,230
Dues and subscriptions	400	375
Other contractual services	500	-
Testing services	15,000	36,764
Printing	100	-
Legal services	3,000	-
Postage	800	174
Office supplies	200	106
Total civil service commission	36,865	48,180

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Boards, commissions and committees: (continued)		
Environmental control board:		
Personal services:		
Salaries	$ 1,600	$ 310
Social Security and IMRF	125	24
Contractual services and commodities:		
Clean up program	1,200	815
Postage	100	-
Other operating supplies	250	365
Total environmental control board	3,275	1,514
Community resource commission:		
Personal services:		
Salaries	$ 2,450	$ 1,552
Social Security and IMRF	185	114
Contractual services and commodities:		
Meetings and conferences	300	300
Other contractual services	1,020	1,006
Receptions and meals	575	409
Discover Tinley television production	19,600	27,406
Scholarships	6,500	6,463
Printing	5,000	3,767
Youth in Government	725	561
Postage	1,000	698
Other operating supplies	850	731
Total community resource commission	38,205	43,007
Zoning board of appeals:		
Personal services:		
Salaries	$ 850	$ 121
Social Security	65	9
Contractual services and commodities:		
Legal and classified advertising	500	629
Postage	500	151
Other operating supplies	-	221
Total zoning board of appeals	1,915	1,131

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Boards, commissions and committees: (continued)		
Long range planning commission:		
Personal services:		
Salaries	$ 3,175	$ 1,012
Social Security and IMRF	240	77
Contractual services and commodities:		
Legal and classified advertising	2,500	10,916
Receptions and meals	500	1,858
Other contractual services	-	1,925
Training	-	150
Postage	500	1,516
Total long range planning commission	6,915	17,454
Veterans commission:		
Personal services:		
Salaries	$ 1,600	$ 1,578
Employee health and life	-	72
Social Security	100	123
Contractual services and commodities:		
Receptions and meals	250	-
Flagpole maintenance	50	-
Other contractual services	1,380	1,262
Awards and scholarships	600	-
Armed service reunion	3,500	3,574
Vet welcome home reception	2,750	1,243
Art public building education	1,200	627
Community support	500	-
Overseas support	1,000	-
Postage	3,500	-
Flags/banners	750	1,525
Total veterans commission	17,180	10,004

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Boards, commissions and committees: (continued)		
Historical preservation commission:		
Personal services:		
Salaries	$ 500	$ -
Social Security and IMRF	40	-
Contractual services and commodities:		
Other contractual services	3,000	-
Printing	100	-
Dues and subscriptions	500	395
Donations and support	5,000	5,000
Architect/planning service	3,000	-
Office supplies	100	-
Postage	25	138
Total historical preservation commission	12,265	5,533
Senior services commission:		
Personal services:		
Salaries	$ 14,300	$ 12,351
Social Security and IMRF	2,785	1,580
Contractual services and commodities:		
Printing	300	-
Community center	13,300	17,216
Meetings and conferences	-	55
Office supplies	1,000	849
Service contracts	310	-
Postage	700	1,379
Total senior services commission	32,695	33,430

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Boards, commissions and committees: (continued)		
Sister cities commission:		
Personal services:		
Salaries	$ -	$ 232
Social Security and IMRF	-	84
Contractual services and commodities:		
Reception and meals	1,000	-
Dues and subscriptions	750	1,395
Promotional brochures	150	-
Other contractual services	600	35
Awards/Scholarships	200	-
German exchange visit	1,500	-
Other exchange visits	150	-
Postage	150	-
Total sister cities commission	4,500	1,746
Economic / Commercial Commission		
Personal services:		
Salaries	$ 2,975	$ 2,054
Social Security and IMRF	225	149
Contractual services and commodities:		
Reception and meals	3,500	4,128
Programs	4,250	5,075
Printing	2,000	1,030
Postage	2,000	819
Total economic / commercial commission	14,950	13,255
Total boards, commissions and committees	$ 168,765	$ 175,254
Senior bus service:		
Personal services:		
Salaries	$ 69,725	$ 59,124
Social Security and IMRF	11,425	9,419
Contractual services and commodities:		
Telephone and pagers	450	278
Repair motor vehicles	2,000	2,312
Radio maintenance	100	-
Medical services	1,000	476
Postage	10	4
Diesel fuel	9,085	7,829
Tires and tubes	500	-
Vehicle inspections	75	47
Other operating supplies	50	80
Insurance deductible	5,000	-
Total senior bus service	$ 99,420	$ 79,569

See Note to Required Supplementary Information.

(continued)

Village of Tinley Park, Illinois

Schedule of General Agency Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual
Village bus services:		
Personal services:		
Salaries	$ 37,650	$ 26,060
Social security and IMRF	7,225	4,401
Contractual services and commodities:		
Telephone communications	250	182
Vehicle inspection	50	47
Repair motor vehicles	1,500	1,200
Repair radios	100	-
Tires and tubes	200	1,269
Oil	7,110	7,150
Other operating supplies	100	24
Insurance deductible	5,000	-
Total village bus services	$ 59,185	$ 40,333
Economic incentives	$ 2,398,000	$ 1,528,621
Total expenditures	$ 38,965,889	$ 33,972,855

See Note to Required Supplementary Information.

Note 1. Budgetary Information

Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. The original budget was not amended during the current year.

Budgetary Process

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Village Manager submits to the Village Board of Trustees a proposed operating budget ordinance, which serves as a budget, for the fiscal year commencing the following May 1. The operating budget ordinance includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the Village to obtain taxpayer comments.
3. Subsequently, the budget is legally enacted through passage of an ordinance.
4. Formal budgetary integration is employed as a management control device during the year for the general, certain special revenue (excluding Drug Enforcement and Local Road Improvement), and capital projects funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
5. Budgets for the general, special revenue, and capital projects funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Budgetary authority lapses at year-end.
7. State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Village Board approval. Legal budgetary control is maintained at fund level.
8. Budgeted amounts are as originally adopted.

FORM OF APPROVING OPINION

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111 West Monroe Street
Chicago, Illinois 60603

T 312.845.3000
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PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the President and Board of Trustees of the Village of Tinley Park, Cook and Will Counties, Illinois (the *"Village"*) passed preliminary to the issue by the Village of its fully registered General Obligation Bonds, Series 2013 (the *"Bonds"*), to the amount of $11,340,000 dated the date hereof, of the denomination of $5,000 or authorized integral multiple thereof, due and payable on December 1 of the years and in the amounts and bearing interest at the rates percent per annum as follows:

YEAR	AMOUNT ($)	RATE (%)
2014	405,000	3.00
2015	425,000	4.00
2016	445,000	4.00
2017	470,000	4.00
2018	500,000	4.00
2019	525,000	4.00
2020	555,000	4.00
2021	585,000	4.00
2022	625,000	4.00
***	***	***
2024	1,370,000	5.00
***	***	***
2026	1,570,000	5.00
***	***	***
2028	1,795,000	5.00
***	***	***
2030	2,070,000	5.00

and issued for the purpose of refunding certain of the outstanding Taxable General Obligation Bonds, Series 2010 (Build America Bonds - Direct Payment), of the Village. Each of the Bonds bears interest from the later of its dated date as stated above or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of each such Bond, respectively, is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on December 1, 2013.

Those of the Bonds due on December 1, 2024, 2026, 2028 and 2030 are subject to mandatory redemption prior to maturity at a price of par and accrued interest, without premium, on December 1 of the years and in the amounts as follows:

For the 2024 Term Bond

Year	Amount(s)
2023	665,000
2024	705,000 (stated maturity)

For the 2026 Term Bond

Year	Amount(s)
2025	760,000
2026	810,000 (stated maturity)

For the 2028 Term Bond

Year	Amount(s)
2027	865,000
2028	930,000 (stated maturity)

For the 2030 Term Bond

Year	Amount(s)
2029	1,000,000
2030	1,070,000 (stated maturity)

The Bonds due on or after December 1, 2024, are subject to redemption prior to maturity at the option of the Village as a whole or in part in any order of their maturity as determined by the Village, on December 1, 2023, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings.

Based upon such examination, we are of the opinion that the Proceedings show lawful authority for the issuance of the Bonds under the laws of the State of Illinois now in force.

We further certify that we have examined the form prescribed for the Bonds and find the same in due form of law, and in our opinion the Bonds, to the amount named, are valid and legally binding upon the Village, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the Village's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such Village covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

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FORM OF CONTINUING DISCLOSURE UNDERTAKING

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Continuing Disclosure Undertaking

FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (the *"Agreement"*) is executed and delivered by the Village of Tinley Park, Cook and Will Counties, Illinois (the *"Village"*), in connection with the issuance of $11,340,000 General Obligation Bonds, Series 2013 (the *"Bonds"*). The Bonds are being issued pursuant to an ordinance adopted by the President and Board of Trustees of the Village on the 4th day of June 2013, as supplemented by a Bond Order executed in connection with the sale of the Bonds (collectively, the *"Ordinance"*).

In consideration of the issuance of the Bonds by the Village and the purchase of such Bonds by the beneficial owners thereof, the Village covenants and agrees as follows:

1. PURPOSE OF THIS UNDERTAKING. This Agreement is executed and delivered by the Village as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Village represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information means the financial information and operating data described in *Exhibit I.*

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

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

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the Village and which has filed with the Village a written acceptance of such designation, and such agent's successors and assigns.

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

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

MSRB means the Municipal Securities Rulemaking Board.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the events with respect to the Bonds set forth in *Exhibit II.*

Reportable Events Disclosure means dissemination of a notice of a Material Event as set forth in Section 5.

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

State means the State of Illinois.

Undertaking means the obligations of the Village pursuant to Sections 4 and 5.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds are attached as Exhibit III. The Final Official Statement relating to the Bonds is dated June 5, 2013 (the *"Final Official Statement"*). The Village will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Village hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Village will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs. If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. Reportable Events Disclosure. Subject to Section 8 of this Agreement, the Village hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. Consequences of Failure of the Village to Provide Information. The Village shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder. In the event of a failure of the Village to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Ordinance, and the sole remedy under this Agreement in the event of any failure of the Village to comply with this Agreement shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the Village by ordinance authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if: (a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or (ii) this Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (b) the amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Village (such as Bond Counsel).

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

8. Termination of Undertaking. The Undertaking of the Village shall be terminated hereunder if the Village shall no longer have any legal liability for any obligation on or relating to payment of the Bonds under the Ordinance. The Village shall give notice to EMMA in a timely manner if this Section is applicable.

9. Dissemination Agent. The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may

discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

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

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

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

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

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

VILLAGE OF TINLEY PARK
COOK AND WILL COUNTIES, ILLINOIS

By:______________________________
Its: President

Date: June 20, 2013

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

Annual Financial Information means the financial information and operating data of the type contained in the Official Statement under the sections:

> "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES" and "VILLAGE DEBT" (excluding Overlapping Debt).

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

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the Village's fiscal year (currently such fiscal year ends April 30). Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (*i.e.,* as subject to the pronouncements of the Governmental Accounting Standards Board) and subject to any express requirements of State law. Audited Financial Statements will be submitted to EMMA within 30 days after availability to the Village.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Village will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Village*
13. The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

---

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

Exhibit III

CUSIP Numbers

Year of Maturity (December 1)	CUSIP Number Base (887547)
2014	PA9
2015	PB7
2016	PC5
2017	PD3
2018	PE1
2019	PF8
2020	PG6
2021	PH4
2022	PJ0
***	***
2024	PL5
***	***
2026	PN1
***	***
2028	PQ4
***	***
2030	PS0

Attachment J

Information on debt issuance

Debt service schedule

Village of Tinley Park, IL

General Obligation Bonds, Series 2013

Dated/Delivery: June 20, 2013

Winning Bid: Mesirow Financial, Inc.

Table of Contents

Village of Tinley Park, IL

General Obligation Bonds, Series 2013

Dated/Delivery: June 20, 2013

Winning Bid: Mesirow Financial, Inc.

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/01/2013	231,482.22	231,482.22	211,410.07	(20,072.15)
12/01/2014	922,600.00	922,600.00	935,858.64	13,258.64
12/01/2015	930,450.00	930,450.00	942,408.64	11,958.64
12/01/2016	933,450.00	933,450.00	947,323.88	13,873.88
12/01/2017	940,650.00	940,650.00	950,168.88	9,518.88
12/01/2018	951,850.00	951,850.00	961,213.38	9,363.38
12/01/2019	956,850.00	956,850.00	969,722.88	12,872.88
12/01/2020	965,850.00	965,850.00	976,734.14	10,884.14
12/01/2021	973,650.00	973,650.00	988,014.14	14,364.14
12/01/2022	990,250.00	990,250.00	1,000,150.38	9,900.38
12/01/2023	1,005,250.00	1,005,250.00	1,016,092.26	10,842.26
12/01/2024	1,012,000.00	1,012,000.00	1,025,669.14	13,669.14
12/01/2025	1,031,750.00	1,031,750.00	1,044,051.64	12,301.64
12/01/2026	1,043,750.00	1,043,750.00	1,055,898.50	12,148.50
12/01/2027	1,058,250.00	1,058,250.00	1,072,725.76	14,475.76
12/01/2028	1,080,000.00	1,080,000.00	1,092,635.50	12,635.50
12/01/2029	1,103,500.00	1,103,500.00	1,115,436.00	11,936.00
12/01/2030	1,123,500.00	1,123,500.00	1,133,927.00	10,427.00
Total	**$17,255,082.22**	**$17,255,082.22**	**$17,439,440.83**	**$184,358.61**

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	2,782,771.61
Effects of changes in Credit Enhancement Expenses	(2,148,473.02)
Net PV Cashflow Savings @ 2.914%(User Defined)	634,298.59
Transfers from Prior Issue Debt Service Fund	(510,000.00)
Contingency or Rounding Amount	4,621.33
Net Present Value Benefit	$128,919.92
Net PV Benefit / $13,120,000 Refunded Principal	0.983%
Net PV Benefit / $11,340,000 Refunding Principal	1.137%

Refunding Bond Information

Refunding Dated Date	6/20/2013
Refunding Delivery Date	6/20/2013

Village of Tinley Park, IL

General Obligation Bonds, Series 2013

Dated/Delivery: June 20, 2013

Winning Bid: Mesirow Financial, Inc.

Sources & Uses

Dated 06/20/2013 | Delivered 06/20/2013

SOURCES OF FUNDS

Par Amount of Bonds	$11,340,000.00
Reoffering Premium	1,522,158.50
Transfers from Prior Issue Debt Service Funds	510,000.00
TOTAL SOURCES	**$13,372,158.50**

USES OF FUNDS

To Redeem the 2010 Bonds	13,186,856.17
Underwriter's Discount	85,050.00
Bond Counsel Fee (est)	37,531.00
Financial Advisor Fee	28,350.00
Rating Agency Fee	14,000.00
Local Counsel Fee	11,750.00
Rounding Amount	4,621.33
POS/Official Statement (est.)	2,500.00
Paying Agent Fee	1,000.00
Ideal Prospectus	500.00
TOTAL USES	**$13,372,158.50**

Village of Tinley Park, IL

General Obligation Bonds, Series 2013

Dated/Delivery: June 20, 2013

Winning Bid: Mesirow Financial, Inc.

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/20/2013	-	-	-	-	-
12/01/2013	-	-	231,482.22	231,482.22	231,482.22
06/01/2014	-	-	258,800.00	258,800.00	-
12/01/2014	405,000.00	3.000%	258,800.00	663,800.00	922,600.00
06/01/2015	-	-	252,725.00	252,725.00	-
12/01/2015	425,000.00	4.000%	252,725.00	677,725.00	930,450.00
06/01/2016	-	-	244,225.00	244,225.00	-
12/01/2016	445,000.00	4.000%	244,225.00	689,225.00	933,450.00
06/01/2017	-	-	235,325.00	235,325.00	-
12/01/2017	470,000.00	4.000%	235,325.00	705,325.00	940,650.00
06/01/2018	-	-	225,925.00	225,925.00	-
12/01/2018	500,000.00	4.000%	225,925.00	725,925.00	951,850.00
06/01/2019	-	-	215,925.00	215,925.00	-
12/01/2019	525,000.00	4.000%	215,925.00	740,925.00	956,850.00
06/01/2020	-	-	205,425.00	205,425.00	-
12/01/2020	555,000.00	4.000%	205,425.00	760,425.00	965,850.00
06/01/2021	-	-	194,325.00	194,325.00	-
12/01/2021	585,000.00	4.000%	194,325.00	779,325.00	973,650.00
06/01/2022	-	-	182,625.00	182,625.00	-
12/01/2022	625,000.00	4.000%	182,625.00	807,625.00	990,250.00
06/01/2023	-	-	170,125.00	170,125.00	-
12/01/2023	665,000.00	5.000%	170,125.00	835,125.00	1,005,250.00
06/01/2024	-	-	153,500.00	153,500.00	-
12/01/2024	705,000.00	5.000%	153,500.00	858,500.00	1,012,000.00
06/01/2025	-	-	135,875.00	135,875.00	-
12/01/2025	760,000.00	5.000%	135,875.00	895,875.00	1,031,750.00
06/01/2026	-	-	116,875.00	116,875.00	-
12/01/2026	810,000.00	5.000%	116,875.00	926,875.00	1,043,750.00
06/01/2027	-	-	96,625.00	96,625.00	-
12/01/2027	865,000.00	5.000%	96,625.00	961,625.00	1,058,250.00
06/01/2028	-	-	75,000.00	75,000.00	-
12/01/2028	930,000.00	5.000%	75,000.00	1,005,000.00	1,080,000.00
06/01/2029	-	-	51,750.00	51,750.00	-
12/01/2029	1,000,000.00	5.000%	51,750.00	1,051,750.00	1,103,500.00
06/01/2030	-	-	26,750.00	26,750.00	-
12/01/2030	1,070,000.00	5.000%	26,750.00	1,096,750.00	1,123,500.00
Total	**$11,340,000.00**	**-**	**$5,915,082.22**	**$17,255,082.22**	**-**

Yield Statistics

Bond Year Dollars	$123,686.50
Average Life	10.907 Years
Average Coupon	4.7823184%
Net Interest Cost (NIC)	3.6204224%
True Interest Cost (TIC)	3.3234699%
Bond Yield for Arbitrage Purposes	2.9144067%
All Inclusive Cost (AIC)	3.4114180%

IRS Form 8038

Net Interest Cost	3.1119415%
Weighted Average Maturity	10.975 Years

Village of Tinley Park, IL

General Obligation Bonds, Series 2013

Dated/Delivery: June 20, 2013

Winning Bid: Mesirow Financial, Inc.

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price		Dollar Price
12/01/2014	Serial Coupon	3.000%	0.500%	405,000.00	103.600%		419,580.00
12/01/2015	Serial Coupon	4.000%	0.625%	425,000.00	108.183%		459,777.75
12/01/2016	Serial Coupon	4.000%	0.900%	445,000.00	110.498%		491,716.10
12/01/2017	Serial Coupon	4.000%	1.250%	470,000.00	111.859%		525,737.30
12/01/2018	Serial Coupon	4.000%	1.500%	500,000.00	113.029%		565,145.00
12/01/2019	Serial Coupon	4.000%	1.875%	525,000.00	112.847%		592,446.75
12/01/2020	Serial Coupon	4.000%	2.150%	555,000.00	112.667%		625,301.85
12/01/2021	Serial Coupon	4.000%	2.400%	585,000.00	112.166%		656,171.10
12/01/2022	Serial Coupon	4.000%	2.625%	625,000.00	111.437%		696,481.25
12/01/2024	Term 1 Coupon	5.000%	2.950%	1,370,000.00	118.314%	c	1,620,901.80
12/01/2026	Term 2 Coupon	5.000%	3.200%	1,570,000.00	115.875%	c	1,819,237.50
12/01/2028	Term 3 Coupon	5.000%	3.375%	1,795,000.00	114.204%	c	2,049,961.80
12/01/2030	Term 4 Coupon	5.000%	3.500%	2,070,000.00	113.029%	c	2,339,700.30
Total	-	-	-	**$11,340,000.00**	-	-	**$12,862,158.50**

Bid Information

Par Amount of Bonds	$11,340,000.00
Reoffering Premium or (Discount)	1,522,158.50
Gross Production	$12,862,158.50
Total Underwriter's Discount (0.750%)	$(85,050.00)
Bid (112.673%)	12,777,108.50
Total Purchase Price	$12,777,108.50
Bond Year Dollars	$123,686.50
Average Life	10.907 Years
Average Coupon	4.7823184%
Net Interest Cost (NIC)	3.6204224%
True Interest Cost (TIC)	3.3234699%

Village of Tinley Park, IL

General Obligation Bonds, Series 2013

Dated/Delivery: June 20, 2013

Winning Bid: Mesirow Financial, Inc.

Proof of Premium Bond Selection of Call Dates/Prices

Maturity	Call Date	Call Price	PV at Bond Yield	Lowest?
12/01/2024	-	-	1,636,410.03	No
12/01/2024	12/01/2023	100.000%	1,625,775.25	Yes
12/01/2026	-	-	1,921,337.20	No
12/01/2026	12/01/2023	100.000%	1,863,114.71	Yes
12/01/2028	-	-	2,246,380.18	No
12/01/2028	12/01/2023	100.000%	2,130,121.59	Yes
12/01/2030	-	-	2,644,524.12	No
12/01/2030	12/01/2023	100.000%	2,456,463.34	Yes

Village of Tinley Park, IL

General Obligation Bonds, Series 2013

Dated/Delivery: June 20, 2013

Winning Bid: Mesirow Financial, Inc.

Proof of D/S for Arbitrage Purposes

Date	Principal	Interest	Total
06/20/2013	-	-	-
12/01/2013	-	231,482.22	231,482.22
06/01/2014	-	258,800.00	258,800.00
12/01/2014	405,000.00	258,800.00	663,800.00
06/01/2015	-	252,725.00	252,725.00
12/01/2015	425,000.00	252,725.00	677,725.00
06/01/2016	-	244,225.00	244,225.00
12/01/2016	445,000.00	244,225.00	689,225.00
06/01/2017	-	235,325.00	235,325.00
12/01/2017	470,000.00	235,325.00	705,325.00
06/01/2018	-	225,925.00	225,925.00
12/01/2018	500,000.00	225,925.00	725,925.00
06/01/2019	-	215,925.00	215,925.00
12/01/2019	525,000.00	215,925.00	740,925.00
06/01/2020	-	205,425.00	205,425.00
12/01/2020	555,000.00	205,425.00	760,425.00
06/01/2021	-	194,325.00	194,325.00
12/01/2021	585,000.00	194,325.00	779,325.00
06/01/2022	-	182,625.00	182,625.00
12/01/2022	625,000.00	182,625.00	807,625.00
06/01/2023	-	170,125.00	170,125.00
12/01/2023	6,805,000.00	170,125.00	6,975,125.00
Total	**$11,340,000.00**	**$4,602,332.22**	**$15,942,332.22**

Village of Tinley Park, IL

General Obligation Bonds, Series 2013

Dated/Delivery: June 20, 2013

Winning Bid: Mesirow Financial, Inc.

Proof Of Bond Yield @ 2.9144067%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
06/20/2013	-	1.0000000x	-	-
12/01/2013	231,482.22	0.9871435x	228,506.18	228,506.18
06/01/2014	258,800.00	0.9729655x	251,803.46	480,309.64
12/01/2014	663,800.00	0.9589910x	636,578.23	1,116,887.86
06/01/2015	252,725.00	0.9452173x	238,880.03	1,355,767.90
12/01/2015	677,725.00	0.9316414x	631,396.64	1,987,164.54
06/01/2016	244,225.00	0.9182604x	224,262.15	2,211,426.69
12/01/2016	689,225.00	0.9050717x	623,798.04	2,835,224.73
06/01/2017	235,325.00	0.8920724x	209,926.94	3,045,151.67
12/01/2017	705,325.00	0.8792598x	620,163.91	3,665,315.58
06/01/2018	225,925.00	0.8666312x	195,793.66	3,861,109.24
12/01/2018	725,925.00	0.8541840x	620,073.53	4,481,182.76
06/01/2019	215,925.00	0.8419156x	181,790.62	4,662,973.39
12/01/2019	740,925.00	0.8298234x	614,836.88	5,277,810.27
06/01/2020	205,425.00	0.8179048x	168,018.10	5,445,828.37
12/01/2020	760,425.00	0.8061575x	613,022.31	6,058,850.68
06/01/2021	194,325.00	0.7945789x	154,406.54	6,213,257.22
12/01/2021	779,325.00	0.7831665x	610,341.25	6,823,598.47
06/01/2022	182,625.00	0.7719181x	140,971.54	6,964,570.01
12/01/2022	807,625.00	0.7608313x	614,466.34	7,579,036.35
06/01/2023	170,125.00	0.7499036x	127,577.36	7,706,613.71
12/01/2023	6,975,125.00	0.7391330x	5,155,544.79	12,862,158.50
Total	**$15,942,332.22**	**-**	**$12,862,158.50**	**-**

Derivation Of Target Amount

Par Amount of Bonds	$11,340,000.00
Reoffering Premium or (Discount)	1,522,158.50
Original Issue Proceeds	$12,862,158.50

Village of Tinley Park, IL

Taxable General Obligation Bonds, Series 2010A (BABs)

Dated/Delivery: December 22, 2010

Winning Bidder: BMO Capital Markets

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/20/2013	-	-	-	-	-	-	-
07/08/2013	13,120,000.00	66,856.17	13,186,856.17	-	-	-	-
12/01/2013	-	-	-	510,000.00	2.100%	325,246.25	835,246.25
06/01/2014	-	-	-	-	-	319,891.25	319,891.25
12/01/2014	-	-	-	520,000.00	2.500%	319,891.25	839,891.25
06/01/2015	-	-	-	-	-	313,391.25	313,391.25
12/01/2015	-	-	-	535,000.00	2.900%	313,391.25	848,391.25
06/01/2016	-	-	-	-	-	305,633.75	305,633.75
12/01/2016	-	-	-	550,000.00	3.400%	305,633.75	855,633.75
06/01/2017	-	-	-	-	-	296,283.75	296,283.75
12/01/2017	-	-	-	565,000.00	3.800%	296,283.75	861,283.75
06/01/2018	-	-	-	-	-	285,548.75	285,548.75
12/01/2018	-	-	-	590,000.00	4.300%	285,548.75	875,548.75
06/01/2019	-	-	-	-	-	272,863.75	272,863.75
12/01/2019	-	-	-	615,000.00	4.500%	272,863.75	887,863.75
06/01/2020	-	-	-	-	-	259,026.25	259,026.25
12/01/2020	-	-	-	640,000.00	4.500%	259,026.25	899,026.25
06/01/2021	-	-	-	-	-	244,626.25	244,626.25
12/01/2021	-	-	-	670,000.00	5.250%	244,626.25	914,626.25
06/01/2022	-	-	-	-	-	227,038.75	227,038.75
12/01/2022	-	-	-	705,000.00	5.250%	227,038.75	932,038.75
06/01/2023	-	-	-	-	-	208,532.50	208,532.50
12/01/2023	-	-	-	745,000.00	5.250%	208,532.50	953,532.50
06/01/2024	-	-	-	-	-	188,976.25	188,976.25
12/01/2024	-	-	-	780,000.00	5.250%	188,976.25	968,976.25
06/01/2025	-	-	-	-	-	168,501.25	168,501.25
12/01/2025	-	-	-	825,000.00	5.250%	168,501.25	993,501.25
06/01/2026	-	-	-	-	-	146,845.00	146,845.00
12/01/2026	-	-	-	865,000.00	5.900%	146,845.00	1,011,845.00
06/01/2027	-	-	-	-	-	121,327.50	121,327.50
12/01/2027	-	-	-	915,000.00	5.900%	121,327.50	1,036,327.50
06/01/2028	-	-	-	-	-	94,335.00	94,335.00
12/01/2028	-	-	-	970,000.00	5.900%	94,335.00	1,064,335.00
06/01/2029	-	-	-	-	-	65,720.00	65,720.00
12/01/2029	-	-	-	1,030,000.00	6.200%	65,720.00	1,095,720.00
06/01/2030	-	-	-	-	-	33,790.00	33,790.00
12/01/2030	-	-	-	1,090,000.00	6.200%	33,790.00	1,123,790.00
Total	**$13,120,000.00**	**$66,856.17**	**$13,186,856.17**	**$13,120,000.00**	**-**	**$7,429,908.75**	**$20,549,908.75**

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	6/20/2013
Average Life	10.193 Years
Average Coupon	5.5299180%
Weighted Average Maturity (Par Basis)	10.193 Years

Refunding Bond Information

Refunding Dated Date	6/20/2013
Refunding Delivery Date	6/20/2013

Village of Tinley Park, Illinois

General Obligation Bonds, Series 2013 dated 20 June 2013

Debt Service Schedule

Date	Coupon	Principal	Interest	Total P+I	Net Fiscal Total
1-Dec-13			231,482.22	231,482.22	231,482.22
1-Jun-14	-	-	258,800.00	258,800.00	
1-Dec-14	3.000%	405,000.00	258,800.00	663,800.00	922,600.00
1-Jun-15	-	-	252,725.00	252,725.00	
1-Dec-15	4.000%	425,000.00	252,725.00	677,725.00	930,450.00
1-Jun-16	-	-	244,225.00	244,225.00	
1-Dec-16	4.000%	445,000.00	244,225.00	689,225.00	933,450.00
1-Jun-17	-	-	235,325.00	235,325.00	
1-Dec-17	4.000%	470,000.00	235,325.00	705,325.00	940,650.00
1-Jun-18	-	-	225,925.00	225,925.00	
1-Dec-18	4.000%	500,000.00	225,925.00	725,925.00	951,850.00
1-Jun-19	-	-	215,925.00	215,925.00	
1-Dec-19	4.000%	525,000.00	215,925.00	740,925.00	956,850.00
1-Jun-20	-	-	205,425.00	205,425.00	
1-Dec-20	4.000%	555,000.00	205,425.00	760,425.00	965,850.00
1-Jun-21		-	194,325.00	194,325.00	
1-Dec-21	4.000%	585,000.00	194,325.00	779,325.00	973,650.00
1-Jun-22	-	-	182,625.00	182,625.00	
1-Dec-22	4.000%	625,000.00	182,625.00	807,625.00	990,250.00
1-Jun-23	-	-	170,125.00	170,125.00	
1-Dec-23	5.000%	665,000.00	170,125.00	835,125.00	1,005,250.00
1-Jun-24	-	-	153,500.00	153,500.00	
1-Dec-24	5.000%	705,000.00	153,500.00	858,500.00	1,012,000.00
1-Jun-25	-	-	135,875.00	135,875.00	
1-Dec-25	5.000%	760,000.00	135,875.00	895,875.00	1,031,750.00
1-Jun-26	-	-	116,875.00	116,875.00	
1-Dec-26	5.000%	810,000.00	116,875.00	926,875.00	1,043,750.00
1-Jun-27	-	-	96,625.00	96,625.00	
1-Dec-27	5.000%	865,000.00	96,625.00	961,625.00	1,058,250.00
1-Jun-28	-	-	75,000.00	75,000.00	
1-Dec-28	5.000%	930,000.00	75,000.00	1,005,000.00	1,080,000.00
1-Jun-29	-	-	51,750.00	51,750.00	
1-Dec-29	5.000%	1,000,000.00	51,750.00	1,051,750.00	1,103,500.00
1-Jun-30	-	-	26,750.00	26,750.00	
1-Dec-30	5.000%	1,070,000.00	26,750.00	1,096,750.00	1,123,500.00
Totals		11,340,000.00	5,915,082.22	17,255,082.22	17,255,082.22

OPA TIF and/or Hotel/Motel Tax

(Note: OPA TIF ends with tax year 2017,
Reserve or Hotel/Motel Tax financed thereafter)

Convention Center
4,536,000 40.000%

Date	Principal	Net Interest	Total P+I	Fiscal Total
1-Dec-13	0.00	92,592.89	92,592.89	92,592.89
1-Jun-14		103,520.00	103,520.00	
1-Dec-14	162,000.00	103,520.00	265,520.00	369,040.00
1-Jun-15		101,090.00	101,090.00	
1-Dec-15	170,000.00	101,090.00	271,090.00	372,180.00
1-Jun-16		97,690.00	97,690.00	
1-Dec-16	178,000.00	97,690.00	275,690.00	373,380.00
1-Jun-17		94,130.00	94,130.00	
1-Dec-17	188,000.00	94,130.00	282,130.00	376,260.00
1-Jun-18		90,370.00	90,370.00	
1-Dec-18	200,000.00	90,370.00	290,370.00	380,740.00
1-Jun-19		86,370.00	86,370.00	
1-Dec-19	210,000.00	86,370.00	296,370.00	382,740.00
1-Jun-20		82,170.00	82,170.00	
1-Dec-20	222,000.00	82,170.00	304,170.00	386,340.00
1-Jun-21		77,730.00	77,730.00	
1-Dec-21	234,000.00	77,730.00	311,730.00	389,460.00
1-Jun-22		73,050.00	73,050.00	
1-Dec-22	250,000.00	73,050.00	323,050.00	396,100.00
1-Jun-23		68,050.00	68,050.00	
1-Dec-23	266,000.00	68,050.00	334,050.00	402,100.00
1-Jun-24		61,400.00	61,400.00	
1-Dec-24	282,000.00	61,400.00	343,400.00	404,800.00
1-Jun-25		54,350.00	54,350.00	
1-Dec-25	304,000.00	54,350.00	358,350.00	412,700.00
1-Jun-26		46,750.00	46,750.00	
1-Dec-26	324,000.00	46,750.00	370,750.00	417,500.00
1-Jun-27		38,650.00	38,650.00	
1-Dec-27	346,000.00	38,650.00	384,650.00	423,300.00
1-Jun-28		30,000.00	30,000.00	
1-Dec-28	372,000.00	30,000.00	402,000.00	432,000.00
1-Jun-29		20,700.00	20,700.00	
1-Dec-29	400,000.00	20,700.00	420,700.00	441,400.00
1-Jun-30		10,700.00	10,700.00	
1-Dec-30	428,000.00	10,700.00	438,700.00	449,400.00
Totals	4,536,000.00	2,366,032.89	6,902,032.89	6,902,032.89

17-00-000-96140
41-00-000-96140

Surtax

Train Station (80th Ave)
Village Hall addition
4,859,644 42.854%

Date	Principal	Net Interest	Total P+I	Fiscal Total
1-Dec-13	0.00	99,199.38	99,199.38	99,199.38
1-Jun-14		110,906.15	110,906.15	
1-Dec-14	173,558.70	110,906.15	284,464.85	395,371.00
1-Jun-15		108,302.76	108,302.76	
1-Dec-15	182,129.50	108,302.76	290,432.26	398,735.02
1-Jun-16		104,660.18	104,660.18	
1-Dec-16	190,700.30	104,660.18	295,360.48	400,020.66
1-Jun-17		100,846.17	100,846.17	
1-Dec-17	201,413.80	100,846.17	302,259.97	403,106.14
1-Jun-18		96,817.90	96,817.90	
1-Dec-18	214,270.00	96,817.90	311,087.90	407,905.80
1-Jun-19		92,532.50	92,532.50	
1-Dec-19	224,983.50	92,532.50	317,516.00	410,048.50
1-Jun-20		88,032.84	88,032.84	
1-Dec-20	237,839.70	88,032.84	325,872.54	413,905.38
1-Jun-21		83,276.03	83,276.03	
1-Dec-21	250,695.90	83,276.03	333,971.93	417,247.96
1-Jun-22		78,262.12	78,262.12	
1-Dec-22	267,837.50	78,262.12	346,099.62	424,361.74
1-Jun-23		72,905.37	72,905.37	
1-Dec-23	284,979.10	72,905.37	357,884.47	430,789.84
1-Jun-24		65,780.88	65,780.88	
1-Dec-24	302,120.70	65,780.88	367,901.58	433,682.46
1-Jun-25		58,227.87	58,227.87	
1-Dec-25	325,690.40	58,227.87	383,918.27	442,146.14
1-Jun-26		50,085.61	50,085.61	
1-Dec-26	347,117.40	50,085.61	397,203.01	447,288.62
1-Jun-27		41,407.68	41,407.68	
1-Dec-27	370,687.10	41,407.68	412,094.78	453,502.46
1-Jun-28		32,140.50	32,140.50	
1-Dec-28	398,542.20	32,140.50	430,682.70	462,823.20
1-Jun-29		22,176.94	22,176.94	
1-Dec-29	428,540.00	22,176.94	450,716.94	472,893.88
1-Jun-30		11,463.44	11,463.44	
1-Dec-30	458,537.80	11,463.44	470,001.24	481,464.68
Totals	4,859,643.60	2,534,849.26	7,394,492.86	7,394,492.86

33-00-000-96140

Water & Sewer

Sanitary Sewer projects
1,619,919 14.285%

Date	Principal	Net Interest	Total P+I	Fiscal Total
1-Dec-13	0.00	33,067.24	33,067.24	33,067.24
1-Jun-14		36,969.58	36,969.58	
1-Dec-14	57,854.25	36,969.58	94,823.83	131,793.41
1-Jun-15		36,101.77	36,101.77	
1-Dec-15	60,711.25	36,101.77	96,813.02	132,914.79
1-Jun-16		34,887.54	34,887.54	
1-Dec-16	63,568.25	34,887.54	98,455.79	133,343.33
1-Jun-17		33,616.18	33,616.18	
1-Dec-17	67,139.50	33,616.18	100,755.68	134,371.86
1-Jun-18		32,273.39	32,273.39	
1-Dec-18	71,425.00	32,273.39	103,698.39	135,971.78
1-Jun-19		30,844.89	30,844.89	
1-Dec-19	74,996.25	30,844.89	105,841.14	136,686.03
1-Jun-20		29,344.96	29,344.96	
1-Dec-20	79,281.75	29,344.96	108,626.71	137,971.67
1-Jun-21		27,759.33	27,759.33	
1-Dec-21	83,567.25	27,759.33	111,326.58	139,085.91
1-Jun-22		26,087.98	26,087.98	
1-Dec-22	89,281.25	26,087.98	115,369.23	141,457.21
1-Jun-23		24,302.36	24,302.36	
1-Dec-23	94,995.25	24,302.36	119,297.61	143,599.97
1-Jun-24		21,927.48	21,927.48	
1-Dec-24	100,709.25	21,927.48	122,636.73	144,564.21
1-Jun-25		19,409.74	19,409.74	
1-Dec-25	108,566.00	19,409.74	127,975.74	147,385.48
1-Jun-26		16,695.59	16,695.59	
1-Dec-26	115,708.50	16,695.59	132,404.09	149,099.68
1-Jun-27		13,802.88	13,802.88	
1-Dec-27	123,565.25	13,802.88	137,368.13	151,171.01
1-Jun-28		10,713.75	10,713.75	
1-Dec-28	132,850.50	10,713.75	143,564.25	154,278.00
1-Jun-29		7,392.49	7,392.49	
1-Dec-29	142,850.00	7,392.49	150,242.49	157,634.98
1-Jun-30		3,821.24	3,821.24	
1-Dec-30	152,849.50	3,821.24	156,670.74	160,491.98
Totals	1,619,919.00	844,969.54	2,464,888.54	2,464,888.54

60-00-000-96140

Stormwater

Detention 175th St & 71st Ave
202,646 1.787%

Date	Principal	Net Interest	Total P+I	Fiscal Total
1-Dec-13	0.00	4,136.59	4,136.59	4,136.59
1-Jun-14		4,624.76	4,624.76	
1-Dec-14	7,237.35	4,624.76	11,862.11	16,486.87
1-Jun-15		4,516.20	4,516.20	
1-Dec-15	7,594.75	4,516.20	12,110.95	16,627.15
1-Jun-16		4,364.30	4,364.30	
1-Dec-16	7,952.15	4,364.30	12,316.45	16,680.75
1-Jun-17		4,205.26	4,205.26	
1-Dec-17	8,398.90	4,205.26	12,604.16	16,809.42
1-Jun-18		4,037.28	4,037.28	
1-Dec-18	8,935.00	4,037.28	12,972.28	17,009.56
1-Jun-19		3,858.58	3,858.58	
1-Dec-19	9,381.75	3,858.58	13,240.33	17,098.91
1-Jun-20		3,670.94	3,670.94	
1-Dec-20	9,917.85	3,670.94	13,588.79	17,259.73
1-Jun-21		3,472.59	3,472.59	
1-Dec-21	10,453.95	3,472.59	13,926.54	17,399.13
1-Jun-22		3,263.51	3,263.51	
1-Dec-22	11,168.75	3,263.51	14,432.26	17,695.77
1-Jun-23		3,040.13	3,040.13	
1-Dec-23	11,883.55	3,040.13	14,923.68	17,963.81
1-Jun-24		2,743.05	2,743.05	
1-Dec-24	12,598.35	2,743.05	15,341.40	18,084.45
1-Jun-25		2,428.09	2,428.09	
1-Dec-25	13,581.20	2,428.09	16,009.29	18,437.38
1-Jun-26		2,088.56	2,088.56	
1-Dec-26	14,474.70	2,088.56	16,563.26	18,651.82
1-Jun-27		1,726.69	1,726.69	
1-Dec-27	15,457.55	1,726.69	17,184.24	18,910.93
1-Jun-28		1,340.25	1,340.25	
1-Dec-28	16,619.10	1,340.25	17,959.35	19,299.60
1-Jun-29		924.77	924.77	
1-Dec-29	17,870.00	924.77	18,794.77	19,719.54
1-Jun-30		478.02	478.02	
1-Dec-30	19,120.90	478.02	19,598.92	20,076.94
Totals	202,645.80	105,702.55	308,348.35	308,348.35

65-00-000-96140

Main Street South TIF

(Note: MSS TIF ends with tax year 2025,
Reserve or Surtax Tax financed thereafter)

Street realignment 67th Ave
121,792 1.074%

Date	Principal	Net Interest	Total P+I	Fiscal Total
1-Dec-13	0.00	2,486.12	2,486.12	2,486.12
1-Jun-14		2,779.51	2,779.51	
1-Dec-14	4,349.70	2,779.51	7,129.21	9,908.72
1-Jun-15		2,714.27	2,714.27	
1-Dec-15	4,564.50	2,714.27	7,278.77	9,993.04
1-Jun-16		2,622.98	2,622.98	
1-Dec-16	4,779.30	2,622.98	7,402.28	10,025.26
1-Jun-17		2,527.39	2,527.39	
1-Dec-17	5,047.80	2,527.39	7,575.19	10,102.58
1-Jun-18		2,426.43	2,426.43	
1-Dec-18	5,370.00	2,426.43	7,796.43	10,222.86
1-Jun-19		2,319.03	2,319.03	
1-Dec-19	5,638.50	2,319.03	7,957.53	10,276.56
1-Jun-20		2,206.26	2,206.26	
1-Dec-20	5,960.70	2,206.26	8,166.96	10,373.22
1-Jun-21		2,087.05	2,087.05	
1-Dec-21	6,282.90	2,087.05	8,369.95	10,457.00
1-Jun-22		1,961.39	1,961.39	
1-Dec-22	6,712.50	1,961.39	8,673.89	10,635.28
1-Jun-23		1,827.14	1,827.14	
1-Dec-23	7,142.10	1,827.14	8,969.24	10,796.38
1-Jun-24		1,648.59	1,648.59	
1-Dec-24	7,571.70	1,648.59	9,220.29	10,868.88
1-Jun-25		1,459.30	1,459.30	
1-Dec-25	8,162.40	1,459.30	9,621.70	11,081.00
1-Jun-26		1,255.24	1,255.24	
1-Dec-26	8,699.40	1,255.24	9,954.64	11,209.88
1-Jun-27		1,037.75	1,037.75	
1-Dec-27	9,290.10	1,037.75	10,327.85	11,365.60
1-Jun-28		805.50	805.50	
1-Dec-28	9,988.20	805.50	10,793.70	11,599.20
1-Jun-29		555.80	555.80	
1-Dec-29	10,740.00	555.80	11,295.80	11,851.60
1-Jun-30		287.30	287.30	
1-Dec-30	11,491.80	287.30	11,779.10	12,066.40
Totals	121,791.60	63,527.98	185,319.58	185,319.58

19-00-000-96140

Original Projects recap	Project
5,662,000.00	Convention Center
6,066,000.00	80th Train Station
2,022,000.00	Sewer projects
253,000.00	Detention 175th/71st
152,000.00	Street align 67th/173rd
14,155,000.00	

Attachments K and L

TIF audit report

Village of Tinley Park, Illinois

Main Street South Tax Increment Redevelopment
Project Area Fund

Financial and Compliance Report
Year Ended April 30, 2013

Contents

Independent Auditor's Report on Supplementary Information

McGladrey

Independent Auditor's Report on Supplementary Information

To the Honorable Village President and
Members of the Board of Trustees
Village of Tinley Park, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Tinley Park, Illinois (Village), as of and for the year ended April 30, 2013, which collectively comprise the Village's basic financial statements and have issued our report thereon dated December 16, 2013 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to December 16, 2013.

The accompanying supplementary information is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

McGladrey LLP

Chicago, Illinois
December 16, 2013

Village of Tinley Park, Illinois

Main Street South Tax Increment Redevelopment Project Area Fund
Balance Sheet
April 30, 2013

Assets		
Cash and cash equivalents	$	2,642,885
Liabilities and Fund Balance		
Liabilities		
Accounts payable	$	4,176
Fund Balance		
Restricted		2,638,709
Total liabilities and fund balance	$	2,642,885

Village of Tinley Park, Illinois

Main Street South Tax Increment Redevelopment Project Area Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended April 30, 2013

Revenues:	
Property taxes	$ 221,262
Interest	16,472
Total revenues	237,734
Expenditures:	
Current, general government:	
Other contractual services	2,035
Capital outlay	13,197
Total expenditures	15,232
Excess of revenues over expenditures	222,502
Other financing (uses):	
Transfers (out)	(9,971)
Change in fund balance	212,531
Fund balance:	
May 1, 2012	2,426,178
April 30, 2013	$ 2,638,709

Independent Auditor’s Report on Compliance

McGladrey

Independent Auditor's Report on Compliance

To the Honorable Village President and
Members of the Board of Trustees
Village of Tinley Park, Illinois

We have audited the Village of Tinley Park, Illinois' (Village) compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) applicable to the Village's Main Street South Tax Increment Redevelopment Project Area Fund for the year ended April 30, 2013. Compliance with the requirements referred to above is the responsibility of the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Village's Main Street South Tax Increment Redevelopment Project Area Fund occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Village's compliance with those requirements.

In our opinion, the Village complied, in all material respects, with the compliance requirements referred to above that are applicable to the Village's Main Street South Tax Increment Redevelopment Project Area Fund for the year ended April 30, 2013.

This report is intended solely for the information and use of management, the Village President and Board of Trustees, each governmental entity within the Project Area, the State Comptroller and others within the State of Illinois and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

Chicago, Illinois
December 16, 2013

Attachment M

List of intergovernmental agreements

Attachment M

Main Street South TIF District
Village of Tinley Park, Cook and Will Counties, Illinois
Statement of Activities
Fiscal year ended April 30, 2013

In accordance with 65 ILCS 5/11-74.4-5(d)(10), the following summarizes the intergovernmental agreements in effect during the fiscal year and the amounts of money paid during the fiscal year:

Intergovernmental agreement entered into with Community Consolidated School District 146 in 2003 providing for certain payments out of the TIF fund for purchase of real estate.

No payments made during the fiscal year under this agreement.